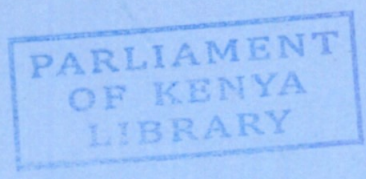



REPUBLIC OF KENYA



REPORT
OF
THE AUDITOR-GENERAL
ON
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
SUBUKIA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	11 FEB 2026
	DAY: <i>Wednesday</i>
TABLED BY:	<i>Hon (Dr.) Robert Rufuse on behalf of Leader of Majority</i>
CLERK-AT-TABLE:	<i>hormale</i>



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

SUBUKIA 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)
Subukia Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

(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;

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- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

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Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Subukia 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	Miriam Talash Naini
2.	National Sub-County Accountant	Peter Kamau
3.	Chairman NGCDFC	Shadrack Muiruri Kamau
4.	Member NGCDFC	-
5.	Member NG CDFC	-

(c) Fiduciary Oversight Arrangements

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

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(d) NGCDF Subukia Constituency Headquarters

P. O. Box 86
Subukia,
Nakuru-Nyahururu Highway

(e) NGCDF Subukia Constituency Contacts

P.O. Box 86
Telephone: (254) 797 154 992
E-mail: cdfsubukia@ngcdf.go.ke
Website: www.go.ke

(f) NGCDF Subukia Constituency Bankers

1. Bank A. Operational Account
Equity Bank
Gate house branch - Nakuru
A/C No. 1460262029565
2. Bank B. (Deposit account).
Equity Bank
Gate house branch - Nakuru
A/C No. 0130286526354
3. Bank C. Equity Bank
Gate house branch - Nakuru
(All PMC Accounts are in Equity Bank)

(g) Independent Auditor






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

(h) Principal Legal Adviser





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

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3. NGCDF Committee

Name	Details
<p>Chairman</p>  <p>Shadrack Muiruri Kamau Male Adult representative</p>	<p>Dob: 08/12/1975 Academic Qualifications: Bachelors Degree In Biblical Theology Professional Qualifications: N/A Work Experience: 8 Years</p>
 <p>Winnie Muthoni Njoroge Female Adult representative</p>	<p>Dob: 28/08/1960 Academic Qualifications: Secondary School Education O Level Professional Qualifications: N/A Work Experience: 8 Years</p>
 <p>Jaled Ondieki Nyakundi Co-opted member</p>	<p>Dob: 1964 Academic Qualifications: Seondary School Education Professional Qualifications: N/A Work Experience: 8 Years</p>
 <p>Dorcas Nyokabi Mwangi Female adult representative</p>	<p>Dob: 02/09/1972 Academic Qualifications: Primary School Education Professional Qualifications: N/A Work Experience: 3 Years</p>
	<p>Dob: 09/09/1994 Academic Qualifications: Diploma In Human Resource Management Professional Qualifications: N/A Work Experience: 3 Years</p>

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<p>Nicholas Kiplangat Kirui Male youth representative</p>	
 <p>Sophie Chelangat Female youth representative</p>	<p>Dob: 14/09/1994 Academic Qualifications: Secondary School Education Professional Qualifications: N/A Work Experience: 3 Years</p>
 <p>Josphine Wanjiku Kamau PWD representative</p>	<p>Dob: 01/01/1977 Academic Qualifications: Secondary School Education Professional Qualifications: N/A Work Experience: 8 Years</p>
 <p>Charity Muthoni DCC</p>	<p>Charity Muthoni is the DCC Subukia Constituency, an ex-official member of NGCDF Committee</p>
 <p>Miriam Naini Ag. FAM</p>	<p>Miriam Naini is the Ag. Fund Account Manager Subukia Constituency, an ex-official member of NGCDF Committee</p>

(List the NG CDFC members who exited during the financial year and the period they served.)

1. Erastus Chege Mwangi – Served up to May 2025.

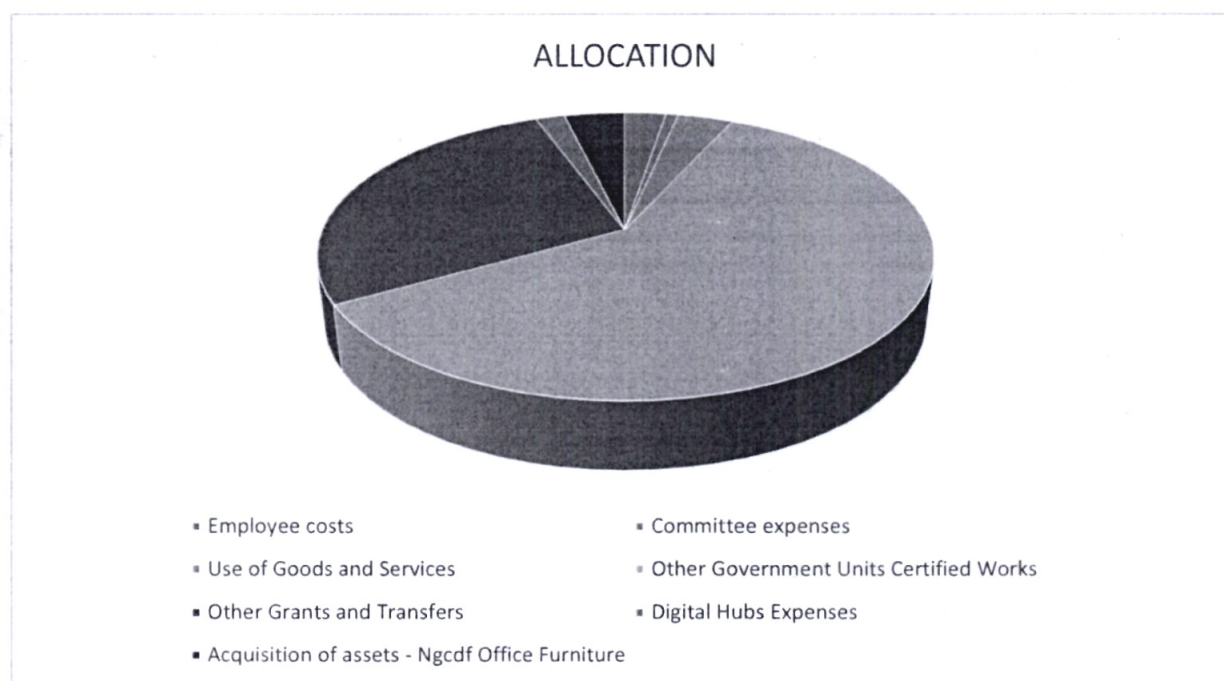
4. NG-CDFC Chairman’s Report



Subukia NG-CDF has in the last financial year received a disbursement of Kshs 145,153,606 as part of this year’s allocation of Kshs 109,489,744 and undisbursed allocation of the FY 2023/2024 of Kshs 35,663,862. This makes current balance of undisbursed funds from the Board to be Kshs 52,270,014. The cumulative available funds for the FY 2024/2025 was Kshs 226,043,606.18 since there was opening balance of Kshs 80,890,000 and undisbursed allocation of kshs 35,925,861 at the closure of the FY 2023/2024. Therefore, out of the cumulative approved budget the constituency spent Kshs 151,159,861.45. This translates to a favourable absorption rate of 67%.

Below we present a graphical presentation of the annual allocation and actual amounts spent in FY 2024/2025

Shadrack Muiruri
Chairman NGCDF Subukia



Emerging issues:

Emerging issues include:

1. High demand for bursary due to high poverty index.
2. High cost of building materials due making the cost of building a classroom higher and hence less number are allocated funds in the Financial Year

Challenges:

1. Some schools are inaccessible due to poor road networks

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Key Achievements:

The greatest achievements are in project implementation which included improvement of learning structures in schools through renovation of existing classrooms and construction of new classrooms and administration blocks:



.....
Shadrack Muiruri
Chairman NGCDF Committee

5. Statement of Performance against Predetermined Objectives for FY 2024/25

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 Subukia Constituency 2024-2025* plan are to:

1. Education: Improve access to quality education at both Basic and Tertiary Level Construction and Renovation of infrastructure in Schools by:

- a. Fencing of school compound.
- b. Drilling of borehole and provision of water tanks/piping in schools.
- c. Acquisition of land for school construction
- d. School feeding program
- e. Construction and equipment of Libraries Science/Computer laboratories in secondary schools in the constituency
- f. Levelling of school playing grounds.
- g. Supply of laboratory equipment to schools
- h. Completion of Subukia Technical and Vocational College
- i. Provision of bursary to needy
- j. Provision of school furniture, desks/lockers.
- k. Provision of school bus

2. Security: Improve security in the constituency through:

- a. Fencing of forests with wildlife arrestors
- b. Renovation and construction of chief's offices
- c. Construction/rehabilitation of Police Stations, Cells, Administration Offices, police houses, water, and sanitary facilities.
- d. Fencing of chief's office and police posts.
- e. Furnishing of chief's office
- f. Installation of security lights in markets/key streets within the constituency
- g. Purchase of land for chief's office
- h. Introduction of local administrative unit and police patrol base.
- i. Elimination of pub near schools

3. Special Programs and Youth Empowerment: Promote youth talent and promote social economic status of vulnerable groups through:

- a. Conducting campaigns on drugs and substance abuse, and Create HIV and AIDS awareness

- b. Link the youth, Women and People with Disabilities with development partners in youth development e.g.) Youth Enterprise Fund, Uwezo fund and Establishment of youth Sacco's.
- c. Provision of (Social Health Insurance Fund) medical cover to vulnerable families
- d. Environmental Conservation
- e. Create ICT hub/Music Studio
- f. Provide assistive devices/services to people with disabilities
- g. Construct social hall

4. Electricity: *Improve Electricity connectivity by:*

- a. Engage the Kenya Rural Electrification Authority and Kenya Power through match program to make sure that they come with a strategy and work plan to connect every home and school in SUBUKIA with Electricity

5. Roads: *Improve the Road Network in SUBUKIA by:*

- a. Engaging the County Government of Nakuru to grade more feeder roads through the Kenya Roads Board
- b. Engaging the Kenya Rural Roads Authority to consider upgrading more Roads in SUBUKIA
- c. Engaging County Government/Kenya Rural Roads Authority to undertake maintenance/rehabilitation of existing roads.

6. Water, Irrigation, Agriculture, and Environment: *Ensure sustainable access to clean water and environment for domestic and agricultural activities by:*

- a. Partnering with the National Irrigation Board and other Partners to build Dams, Irrigation systems and Improve water harvesting /purification mechanisms
- b. Drilling boreholes and install pipes to key facilities
- c. Planting trees in water catchment areas and along key roads.
- d. Lobbying for agricultural extension officers
- e. Providing certified seeds and subsidized fertilizers
- f. Establishing sustainable water supply maintenance system

7. Health and Sanitation: *Improve access to health services and sanitary conditions by:*

- a. Constructing modern level 4 hospital.
- b. Installing generator at sub-county hospital
- c. Fencing health facilities
- d. Increasing community health workers
- e. Facilitating SHA registration of people living with disability and other vulnerable groups.
- f. Ensuring health facilities are adequately stocked with medicine
- g. Constructing labs in dispensaries
- h. Beginning a mental health department

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- i. Increasing the number of dispensaries
- j. Purchasing ambulance

8. Implementation, Monitoring and Evaluation and Reporting: *Ensure Effective and efficient delivery of services and fast tracking and Monitoring of project implementation through:*

- a. Tracking the implementation NG-CDF SUBUKIA programs
- b. Promoting performance management
- c. Smooth running of the NG-CDF SUBUKIA office.
- d. Proper monitoring and evaluation framework to ensure successful and speedy completion of projects.
- e. Write Quarterly and Annual Reports for Public Consumption
- f. Establish Subukia Constituency Projects Coordination Committee to oversee the Project Management Committees at Ward Levels
- g. Biennial Review of the Strategic Plan
- h. Develop an Annual work Plan

9. Staff and Administration: *Promote a conducive work environment by:*

- a. Furnishing/equipping NG-CDFC Officers
- b. Purchase of NG-CDFC Vehicles
- c. Improve Staff Welfare
- d. Recruit qualified Staff

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's</i>	<i>In FY 2024/25 - we have constructed five new classrooms in Wiyumiririe Primary School. - Bursary beneficiaries at all levels totaling to 7941 as per the attached schedules</i>

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Security	To have conductive working environment for security agencies	Increased construction of chief's office	Improved security in the area	Subukia NG-CDFC did not manage to disburse security projects in the financial year 2024/25.	
Climate change mitigation activities	To improve environment by carrying out environmental activities	Increased water harvesting and catchment	Improved environment	In the FY 2024/25, disbursed environmental funds at Kshs 800,000.00	
Emergency	To mitigate disasters through disaster management	Increased capacity building on disaster management	Improved awareness	Management has carried out PMC & CDFC capacity building to improve in the management of NG-CDF funds, disbursed emergency funds worth Kshs 5,350,000.00	

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6. Governance Statement

a. NG-CDFC process of appointment

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

1. There is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of;
 - a) The national government official responsible for co-ordination of national government functions.
 - b) three men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
 - c) three women nominated in accordance with subsection (3) one of Whom 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 who 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
3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, 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 current NGCDFC members were gazetted in April.

The persons appointed are drawn from different groupings as follows:

S/NO	NAME	ID NUMBER	TEL NO	WARD	POSITION	CATEGORY
1	SOPHIE CHELANGAT	34811066	0798725587	WASEGES	FEMALE YOUTH REPRESENTATIVE	FEMALE (YOUTH)
2	NICHOLAS KIPLANGAT KIRUI	31854891	0750185614	WASEGES	MALE YOUTH REPRESENTATIVE	MALE (YOUTH)
3	WINNIE MUTHONI	1340064	0727888863	SUBUKIA	FEMALE ADULT REPRESENTATIVE	FEMALE (ADULT)

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4	DORCAS NYOKABI	11240444	0717199177	KABAZI	FEMALE ADULT REPRESENTATIVE	FEMALE (ADULT)
5	SHADRACK MUIRURI	20545464	0722674086	SUBUKIA	MALE ADULT REPRESENTATIVE	MALE (ADULT)

NOMINEES OF BODY REPRESENTING PERSON WITH DISABILITY

S/NO	NAME	ID NO	TEL NO	WARD
5	JOSEPHINE KAMAU	21173596	0784001550	SUBUKIA

CO-OPTED MEMBER

S/NO	NAME	ID NO	TEL	WARD
7	JALED ONDIEK	7376625	0711318586	WASEGES

b. NG-CDF tenure

The NG-CDFC are appointed on a 2-year renewable contract

c. The Role of the Constituency Committee

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters,
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency,
- iii. list of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund,
- v. Ensure that all projects receive adequate funding and are completed within three years;
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- vii. 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;
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;
- ix. Enter into performance contracting with the Board on an annual basis;
- x. Receiving and addressing all complaints

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d. Removal of a member

Members of the NGCDFC may be removed in accordance with the provisions of the NG-CDF Act, 2015, and relevant regulations.

Grounds for removal include

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

e. NG-CDFC Induction and training

Upon appointment, NGCDFC Members undergo a comprehensive induction program. This program equips Members with a thorough understanding of their roles, responsibilities, and ethical obligations. Training sessions are conducted regularly to keep Members updated on relevant laws, regulations, and best practices in governance, finance, and project management.

The constituency undertook NG-CDFC training at Mara Frontier Hotel in Narok on June 2025.

f. Number of Meetings held

The NG-CDFC holds regular meetings to deliberate on NG-CDF matters, project progress, and financial issues. The Committee convenes at least once every quarter, and at most twenty-four meetings in a year. It also includes additional meetings scheduled in between to address emerging issues and project needs. We have been able to conduct 20 meetings and during the time we were able to hold 11 NGCDFC meetings and 9 subcommittee bursary meeting.

S/ N O	Name of Committee Members	Minutes Held										
		20/8/24	23/9/24	14/10/24	22/10/24	4/11/24	17/12/24	10/1/25	15/1/25	25/3/25	8/5/25	21/5/25
	Name	√	√	√	√	√	√	√	√	√	√	√
1	Shadrack Muiruri	√	√	√	√	√	√	√	√	√	√	√
2	Winnie Muthoni	√	√	√	√	√	√	√	√	√	√	√
3	Erastus Chege	√	√	√	√	√	√	√	√	√	√	√

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4	Josephine Kamau	√	√	√	√	√	√	√	√	√	√	√
5	Jaled Ondiek	√	√	√	√	√	√	√	√	√	√	√
6	Dorcas Nyokabi	√	√	√	√	√	√	√	√	√	√	√
7	Nicholas Kiplangat	√	√	√	√	√	√	√	√	√	√	√
8	Sophie Chelangat	√	√	√	√	√	√	√	√	√	√	√
9	Charity Muthoni	√	√	√	√	√	√	X	√	√	√	√

g. Members' Remuneration

NG-CDFC Members serve the constituency and are not given a salary but an allowance as compensation for their service. This ensures that their decisions and actions are guided solely by the best interests of the constituency and not influenced by personal gain with chairperson sitting allowances at Kshs 7,000 and members at Kshs 5,000

h. Disclosure Policy on Conflict of Interest

The NG-CDFC is committed to maintaining the highest standards of integrity and transparency. To address potential conflicts of interest, Members are required to disclose any personal, financial, or professional interests that may conflict with their responsibilities as NG-CDFC Members. In cases of conflicts, Members are expected to excuse themselves from relevant discussions and decisions, and these conflicts are duly recorded in the minutes of the meetings.

i. Succession plan

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

j. Ethics and Conduct

The NG-CDFC is guided by a strict code of ethics and conduct that includes principles such as integrity, accountability, transparency, and professionalism. Members are expected to adhere to these principles in all their dealings related to NG-CDF matters.

k. Risk Management

The NG-CDFC recognizes the importance of risk management in the prudent utilization of NG-CDF funds. The Committee, in collaboration with relevant stakeholders, assesses and mitigates risks associated with project implementation, financial management, and governance. Regular risk assessments are conducted to identify potential threats and

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develop strategies to address them. This governance statement reflects our commitment to ensuring responsible and effective governance of the Subukia NG-CDF. It provides transparency and accountability to the constituents we serve and upholds the principles of good governance in all our activities.

.....
Miriam Naini
Ag. Fund Account Manager

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7. Management Discussion and Analysis

7.1 Operational and Financial Performance

NG-CDF Subukia received a total allocation of Ksh 725,245,608.31 in the financial years 2020/2021 to 2024/2025 out of which 50% was allocated to education projects in primary schools and secondary schools while average of 35% was allocated to bursary. On the other hand, other sectors received 15% respectively. The table below shows annual allocation to the constituency in the past five years of operation.

S/NO.	Financial Year	Approved Allocation
1	2024/2025	161,497,759.00
2	2023/2024	158,087,629.00
3	2022/2023	131,342,462.00
4	2021/2022	137,088,879.00
5	2020/2021	137,228,879.31
		725,245,608.31

7.2 Outstanding projects started and completed in the financial year

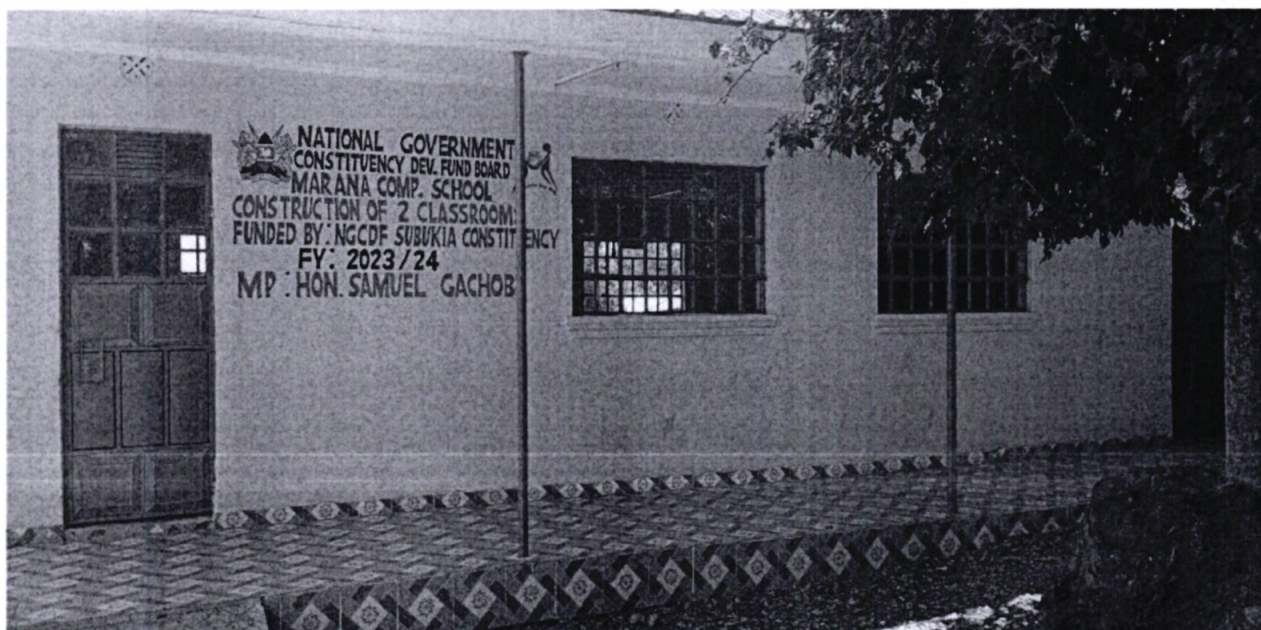


Kamumo Primary School – Renovation of 11 classrooms

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Kianoe Chiefs Office – Construction of Asst. Chiefs Office



Marana Primary School – Construction of 2 classrooms

7.3 Compliance with Statutory Requirements

During the financial year 2024/2025, the fund complied with all the statutory requirements and directives which include employees' mandatory SHA contributions which replaced NHIF. The contributions were deducted and remitted on time. The fund also has complied with taxation laws while carrying out its projects by deducting the 2% VAT withholding tax and the 3% Income withholding tax. Further the fund has well complied with Financial Reporting Standards and Public Finance Management by adopting and smooth transition from IPSAS Cash-based Reporting to IPSAS Accrual-based Reporting.


.....
Miriam Naini
Ag. Fund Account Manager

8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Subukia 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

Environmental concerns, with an emphasis on climate change mitigation, are central to the government's agenda. The recent amendment to the NG-CDF Act 2022, which raised the allocation for climate change activities from 2% to 5%, reinforces the commitment to addressing these issues through the NG-CDF Fund. In the 2024-2025 financial year, Subukia NG-CDF allocated Kshs. 800,000 for Purchase of two 10,000 litres water tanks and tree planting projects in two schools within the constituency. These efforts aim to enhance sustainability and contribute to environmental conservation, aligning with the government's broader strategy to combat climate change.

3. Employee welfare

We invest in providing the best working environment for our employees. Subukia 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. Subukia 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-

Subukia Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Subukia 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.

Participation in Project Identification, Implementation, and Monitoring

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

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

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

Public Awareness

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

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



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

The Accounting Officer in charge of the NGCDF Subukia 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.

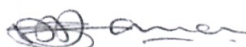
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the

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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 - Subukia Constituency financial statements were approved and signed by the Accounting Officer on 01-12 2025.



.....
Name: Shadrack Muiruri
Chairman – NGCDF Committee



.....
Name: Miriam Naini
Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SUBUKIA 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 that 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 - Subukia Constituency set out on pages 1 to 59, 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 the 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 - Subukia 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 2023), 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. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/Prepared in accordance with accrual basis of accounting method under International Public Sector Accounting Standards (IPSAS). This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Undisclosed PPE and Additions in Assets

The statement of financial position and as disclosed in Note 23 of the financial statements reflects property, plant and equipment balance of Kshs.378,000. However, Annex 1 - Summary of Fixed Assets Register discloses property, plant and equipment valued at Kshs.17,568,567. This discrepancy indicates that property, plant and equipment worth Kshs.17,571,533 has not been reported in the financial statements. Further, the fixed assets register provided reflects a total assets value of Kshs.17,949,533 which differs with the amount in the summary of fixed assets register balance of Kshs.17,568,567 resulting in an understatement of property, plant and equipment by an amount of Kshs.382,062.

In the circumstances, the accuracy, existence, ownership and completeness of property, plant and equipment balance of Kshs.378,000 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 - Subukia 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 a final budgeted receipts and actual on comparable basis amounts of Kshs.286,190,420 and Kshs.233,920,406 respectively resulting to under-funding of Kshs.52,270,014 or 18% of the budget. Further, the Fund spent an amount of Kshs.123,411,859 against actual receipts of Kshs.233,920,406 resulting to under-utilization of Kshs.110,508,547 or 47% of the actual receipts.

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 to 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 year audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the NGCDF in 2024/2025 revealed that the following five (5) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Other Grants and Other Transfers
2	2023/2024	Budgetary Control and Performance
3	2023/2024	Unreturned PMC Account Balances
4	2023/2024	Failure to Transfer Gratuity Funds to Retention Account
5	2023/2024	Delayed Construction of Constituency Offices

Other Information

Management is responsible for the Other Information set out on page iii to xxvii which comprise of Key Constituency Information and Management, The NG-CDF Committee, NG-CDFC 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. Irregularities in Projects' Implementation

Payments for projects totalling Kshs.19,822,076 were mad for various PMCs for construction and renovation works. Review of the project files showed that the PMCs engaged contractors for various works for a contract period of three (3) months. The works were however not completed within the contract execution period and the payments were not supported by approval for contract extension, extended contracts, site handover minutes and certificates of practical completion as required.

This indicates non-compliance with the established financial and procurement laws governing public funds and contract administration as detailed below:

Date	Project	Details	Allocation (Kshs.)	Remarks
12/19/2024	Manager Equity Bank (Thuthwa Anti-Stock Theft Unit)	Construction to completion of 8 single rooms Police houses.	3,200,000	3 months contract signed on 23/12/2025, at a cost of Kshs.3,088,000, no contact extension as works ended on 8/8/25, no cert of practical completion
24/10/2024	Manager Equity Bank (Kabazi Sec Sch)	Construction to completion of one storey building comprising of 4 classrooms	8,242,076	3 months contract signed on 16/12/2024, not subjected to technical evaluation e.g PPE and machinery owned, years of experience, financial capacity, prior projects implemented, project not yet complete as at the time of the audit, no evidence of contract extension which expired in March, 2025, total works done as at 11/9/2025 amounted to Kshs.6,908,490
24/10/2024	Manager Equity Bank (Wei Pry Sch)	Renovation to completion of 7 classrooms	4,480,000	3 months contract signed on 15/12/2025, at a cost of Kshs.4,462,580 , no contact extension as works ended on 8/7/25, no cert of practical completion, retention released after 2 months of Kshs.176,709
24/10/2024	Manager Equity Bank (Mbogoini Pry)	Construction to completion of 3 classrooms	3,900,000	3 months contract signed on 17/12/2025, at a cost of Kshs.3,780,500, no contact extension as works ended on 28/7/25, no cert of practical completion.
Total			19,822,076	

In the circumstances, value for money for the above projects with an allocation amounting to Kshs.19,822,076 could not be confirmed.

2. Delayed Construction of Constituency Offices

Examination of records revealed that the Constituency had an allocation amount of Kshs.8,820,000 in the 2018/2019 financial year for the construction of the Constituency Office. The total estimated cost of the project amounted to Kshs.30,000,000, leaving a balance of Kshs.21,180,000 yet to be disbursed for over five (5) years. This was contrary to Regulation 11(1)(j) of the National Government Constituencies Development Fund Act, 2015 (Amended 2023), which requires projects to receive adequate funding and be completed within three (3) years.

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

3. Non-Implementation of Approved Projects

During the year under audit, the Fund had budgeted to implement a total of one hundred and two (102) projects worth Kshs.257,958,726. However, review of projects records revealed that the Fund implemented only thirty-seven (39) projects worth Kshs.105,339,112. The balance of sixty-five (65) projects with total allocations of Kshs.152,619,613 were not implemented. It was further noted that NG-CDF Board did not disburse funds amounting to Kshs.52,270,014 for the implementation of projects in 2024/25 financial year.

In the circumstances, service delivery to the public could not be confirmed.

4. Late Submission of Budget Proposals by NG-CDF Committee

Documents provided revealed that the list of the proposed Constituency projects for 2024-2025 financial year was submitted to the Board by the Fund Account Manager on 3 April, 2025 and 29 May, 2025. This was contrary to Section 28 (1) of National Government Constituencies Development Fund Act, 2015 (Amended 2023), which requires the list of the proposed Constituency projects to be submitted to the Board before the end of the month of February of each year.

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 to 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


09 December, 2025


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

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

	Note	Period ended june
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	15,510
Total revenue		161,513,269
Expenses		
Employee costs	10	4,289,031
Committee expenses	11	4,904,452
Use of Goods and Services	12	5,529,982
Other Government Units Actual expenditure	13	45,780,758
Other Grants and Transfers Actual expenditure	14	63,055,943
Depreciation and amortization expense	15	162,000
Digital Hubs Actual expenditure	16	-
Total expenses		123,722,166
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		37,791,103

The Constituency financial statements were approved by the NGCDFC on 01-12 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Shadrack Muiruri


 National Sub-County
 Accountant
 Name: Peter Kamau
 ICPAK M/No: R/4903

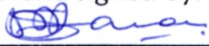

 Fund Account Manager
 Name: Miriam Naini


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

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

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	110,508,548	88,751,290
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	52,270,014	35,925,861
Prepayments	22	-	-
Total Current Assets		162,778,562	124,677,151
Non-Current Assets			
Property, Plant and Equipment	23	378,000	140,000
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		378,000	140,000
Total Assets (A)		163,156,562	124,817,151
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	3,748,117	2,668,911
Lease Liabilities	28	-	-
Gratuity provision	29	912,177	1,443,076
Total Current Liabilities		4,660,294	4,111,987
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		4,660,294	4,111,987
Net Assets (A-B)		158,496,267	120,705,164
Represented by:			
Revaluation Reserves		158,496,267	120,705,164
Accumulated Surplus			
Total Net Assets		158,496,267	120,705,164

The Constituency financial statements set out on pages 2 to 4 approved by NG CDFC on 01-12 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Shadrack Muiruri


 National Sub-County
 Accountant
 Name: Peter Kamau
 ICPAK M/No: R/4903


 Fund Account Manager
 Name: Miriam Naini

National Government Constituencies Development Fund (NGCDF)
Subukia 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	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)		80,890,000	80,890,000
Adjustments: (to recognize assets and liabilities)			
Add Assets		43,927,151	43,927,151
Less Liabilities		4,111,987	4,111,987
As at July 1, 2024		120,705,164	120,705,164
Surplus/(Deficit) For the Period		37,791,103	37,791,103
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)		158,496,267	158,496,267

Note:

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

*National Government Constituencies Development Fund (NGCDF)
Subukia 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	Period ended June
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		145,153,606
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		15,510
Total Receipts		145,169,116
Payments		
Employee costs		4,819,929
Committee expenses		4,904,452
Use of Goods and Services		5,529,982
Other Government Units Certified Works		44,870,415
Other Grants and Transfers		62,887,081
Digital Hubs Expenses		-
Total Payments		123,011,859
Net Cash Flows from/ (used in) Operating Activities	30	22,157,257
Cash flows From Investing Activities		
Purchase of PPE		400,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		400,000
Net increase/(decrease) in cash & Cash equivalents		21,757,257
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		21,757,257
Cash and cash equivalents at Period Start	17	88,751,290
Cash and cash equivalents at Period End	17	110,508,548

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

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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 Disbursement	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	161,497,759	88,751,290	35,925,861	286,174,910	233,904,896	52,270,014	81.73%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	15,510	-	15,510	15,510	-	100%
Totals	161,497,759	88,766,800	35,925,861	286,190,420	233,920,406	52,270,014	
Expenses							
Employee costs	4,243,670	3,089,388	-	7,333,057	4,819,929	2,513,128	65.73%
Committee expenses	1,960,000	271,000	-	2,231,000	1,425,420	805,580	63.89%
Use of Goods and Services	8,331,128	1,451,724	-	9,782,852	7,509,014	2,273,838	76.76%
Other Government Units Certified Works	74,950,000	62,739,220	32,725,861	170,415,081	44,870,415	125,544,666	26.33%
Other Grants and Transfers	64,799,879	10,210,562	3,200,000	78,210,441	61,274,883	16,935,559	78.35%
Digital Hubs Expenses	5,200,000	-	-	5,200,000	-	5,200,000	0%
Acquisition of assets - Office Furniture	2,013,083	8,820,000	-	10,833,083	2,012,198	8,820,885	18.57%
Strategic Plan	-	1,800,000	-	1,800,000	1,500,000	300,000	83.33%
Funds Pending Approval**	-	384,906	-	384,906	-	384,906	0%
Total Expenditure	161,497,760	88,766,799	35,925,861	286,190,420	123,411,859	162,778,562	43.12%
Surplus for the period							

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

The underutilization of funds on employees' costs has been as a result of delayed funding from the Board, this funds were meant for Gratuity. On committee allowance, goods and services, other Government units works, other Grants and transfers and Digital Hub as also been as a result of delayed funding from the Board. The funds for Acquisition of assets (Constituency office) has not yet started due to the funding allocated which is not enough to start the project, however in the financial year 2025-2026 the committee will allocate enough fund to complete the project.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	162,778,562
Less undisbursed funds receivable from the Board as at period 30 th June, 2025	52,270,014
Cash and Cash Equivalents at the end of the 30 th June 2025	110,508,548

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 DL-12 2025 and signed by:

 National Sub-County Accountant
  Chairman NG-CDF Committee

Name: Miriam Naini
ICPAK M/No: R/4903

Name: Shadrack Muiruri

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,243,670	3,089,388		7,333,057	4,819,929	2,513,128
1.2 Committee allowances	1,128,000	130,400		1,258,400	697,420	560,980
1.3 Use of goods and services	4,318,196	699,923		5,018,120	3,283,503	1,734,617
Sub-total	9,689,866	3,919,711	-	13,609,577	8,800,852	4,808,725
2.0 Monitoring and evaluation						
2.1 Capacity building	2,828,000	270,400		3,098,400	3,019,941	78,459
2.2 Committee allowances	832,000	140,600		972,600	728,000	244,600
2.3 Use of goods and services	1,184,932	481,401		1,666,333	1,205,570	460,762
Sub-total	4,844,932	892,401	-	5,737,333	4,953,511	783,822
4.0 Emergency						
Mumoi Police Post	950,000.00			950,000	-	950,000
Kamumo Primary School	2,800,000.00			2,800,000	2,799,450	550
Subukia Police Station	1,600,000.00			1,600,000	1,518,933	81,067
unutilized	3,149,879			3,149,879		3,149,879

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Sub-total	8,499,879	-	-	8,499,879	4,318,383	4,181,496
5.0 Bursary and Social Security						
5.1 Primary Schools	-	-	-	-	-	-
5.2 Secondary Schools	31,700,000	1,217,255		32,917,255	31,189,802	1,727,453
5.3 Tertiary Institutions	21,500,000	3,678,819		25,178,819	20,700,980	4,477,839
5.4 special needs	1,100,000	894479.31		1,994,479	1,721,165	273,314
5.5 Education Support Programmes				-		-
5.6 Social Security	1,200,000	1,200,000		2,400,000		2,400,000
Sub-total	55,500,000	6,990,553	-	62,490,553	53,611,947	8,878,606
6.0 Sports						
6.1 Subukia Constituency Sports Tournament		728,631		728,631	728,575	56
6.2 Regional Sports Tournament		300,000		300,000	300,000	-
Sub-total	-	1,028,631	-	1,028,631	1,028,575	56
7.0 Environment						
7.1 Riggogo Primary School	400,000.00	-		400,000		400,000
7.2 Ruiru Primary School	400,000.00	-		400,000		400,000
Sub-total	800,000	-	-	800,000	-	800,000
8.0 Primary Schools Projects						
8.1 Lari Primary School	1,000,000.00			1,000,000		1,000,000
8.2 Looremeta Primary School	5,250,000.00			5,250,000		5,250,000
8.3 Marigu Primary School	2,800,000.00			2,800,000		2,800,000
8.4 Mburu Gichwa Primary School	2,750,000.00			2,750,000		2,750,000
8.5 Ndiatho Hope Primary School	1,600,000.00			1,600,000		1,600,000
8.6 Olmanyatta Primary School	1,600,000.00			1,600,000		1,600,000
8.7 Ruiru Primary School	4,950,000.00			4,950,000		4,950,000
8.8 Wiyumirire Primary School	10,000,000.00			10,000,000		10,000,000

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8.9 Rigogo Primary School	8,000,000.00				8,000,000			8,000,000
8.10 Chania Primary School	4,950,000.00				4,950,000			4,950,000
8.11 Eldonio Primary School	6,050,000.00				6,050,000			6,050,000
Wei Primary School		4,480,000.00			4,480,000	3,651,173		828,827
Simboiyon Primary School		4,878,459.00			4,878,459	3,094,514		1,783,945
Mbogoini Primary School		3,900,000.00			3,900,000	3,057,379		842,621
Maambi Primary School		5,675,198.00		325,862	6,001,060	4,159,291		1,841,769
Our Lady Of Victories Primary School		8,378,575.00			8,378,575	3,270,212		5,108,363
Gakingi Primary School		5,049,122.00			5,049,122	4,105,243		943,879
Kamumo Primary School		5,800,000.00		2,400,000	8,200,000	7,296,772		903,228
Mburu Gichua Primary School		781,794.00			781,794	739,315		42,479
Mibarak Primary		2,619,731.00			2,619,731	1,996,782		622,949
Marana Primary School		2,610,000.00			2,610,000	2,436,921		173,079
Endao Primary		2,610,077.00			2,610,077	2,021,934		588,143
Tachasis Primary School		1,231,930.00			1,231,930	1,216,468		15,462
Tetu Subukia Primary School		132,300.00			132,300	31,500		100,800
Chania Primary School		212,748.00			212,748	163,914		48,834
Kaptarakwa Primary School		18,458.00			18,458	18,058		401
Mumoi Primary School		734,169.00			734,169	733,173		997
Mikima Primary School		780,000.00			780,000	714,088		65,912
Marigu B Primary School		51,352.00			51,352	40,058		11,295
Mansukh Primary School		566,091.00			566,091	565,053		1,039
Rigogo Chonjo Primary School		96,196.00			96,196	93,695		2,501
Gitundaga Primary School		100,562.00			100,562	99,500		1,062
Gitura Primary School		37,860.00			37,860	36,500		1,360
Akuisi Primary School		967.00			967	-		967
Arash Primary School		124,474.00			124,474	-		124,474

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Jambhuri Primary School		9,989.00			9,989	-		9,989
Kianyoro Primary School		20,249.00			20,249	-		20,249
Magomano Primary School		869.00			869	-		869
Mihango Primary School		103.00			103	-		103
Mwireri Primary School		164,599.00			164,599	-		164,599
Ndungiri Primary		750.00			750	-		750
Olbonata Primary School		1,817.00			1,817	-		1,817
Oldonyo Mara Primary		775.00			775	-		775
Sidai Primary School		128.00			128	-		128
Solai Nyakinyua Pry Sch		1,285.00			1,285	-		1,285
Subukia Primary School		3,647.00			3,647	-		3,647
Kieni Primary School		42.00			42	-		42
Kirima Primary School		343.00			343	-		343
Looremeta Primary School		1,355.00			1,355	-		1,355
Morro Hill Primary School		82,226.00			82,226	-		82,226
Sub-total		48,950,000		2,725,862	102,834,102	39,541,541		63,292,561
9.0 Secondary Schools Projects (List all the Projects)								
9.1 Forest Hills Secondary School	1,500,000.00		9,999,999		11,499,999			11,499,999
9.2 Kabazi High School	11,500,000.00				11,500,000			11,500,000
9.3 Maryland Town Secondary School	11,500,000.00				11,500,000			11,500,000
9.4 St. Mark Eldonio Secondary School	1,500,000.00				1,500,000			1,500,000
Greenhills Secondary School		1,560,781			1,560,781	1,328,755		232,026
Kabazi Secondary School		8,242,076			8,242,076	2,802,844		5,439,232
St Ulrich Lama Secondary School		391,100			391,100	-		391,100
Arash Secondary School		12,855			12,855	-		12,855

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Gitira Secondary School		376		376	-	376		376
Magomano Secondary		3,322		3,322	-			3,322
Maryland Secondary		288		288	-			288
Olbonata Secondary School		1,189		1,189	-			1,189
Rigogo Secondary		620		620	-			620
Sidai Secondary		42		42	-			42
Solai Boys Secondary School		140		140	-			140
St. Marks Eldonio Secondary School		1,821	10,000,000	10,001,821	-			10,001,821
St. Michael Gatagati Secondary		3,979		3,979	-			3,979
Subukia Day Secondary School		3,273		3,273	-			3,273
Wiyumirire Secondary		1,174		1,174	-			1,174
Kieni Secondary School		2,433		2,433	-			2,433
Kieni Secondary School		-		-	-			-
Sub-total	26,000,000	10,225,468	19,999,999	56,225,467	4,131,599			52,093,868
10.0 Tertiary institutions Projects (List all the Projects)								
Subukia Technical And Vocational College		1,355,512		1,355,512			1,197,275	158,237
Rift Valley Institute Of Science And Tech. - Subukia TVC			10,000,000	10,000,000	-			10,000,000
Sub-total	-	1,355,512	10,000,000	11,355,512	1,197,275			10,158,237
11.0 Security Projects								
Subukia East Assistant Chiefs Office		581,835		581,835	223,346			358,490
Thuthwa Anti Stock Theft Unit		1,000	3,200,000	3,201,000	2,092,632			1,108,368
Kianoe Chiefs Office		1,601,000		1,601,000	-			1,601,000
Ruiru Chief's Office		2,390		2,390	-			2,390
Subukia East Chiefs		4,865		4,865	-			4,865

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Gitura Police Post	288	288	288	288	288
Sub-total	2,191,378	5,391,378	3,200,000	2,315,978	3,075,401
12.0 Acquisition of assets					
12.1 Motor Vehicles (including motorbikes)			-		-
12.2 Purchase of furniture and fittings - NGCDF OFFICE	2,013,083	2,013,083		2,012,198	885
12.2 Construction of CDF office	8,820,000	8,820,000			8,820,000
Sub-total	8,820,000	10,833,083	-	2,012,198	8,820,885
13.0 Others					
13.1 Kabazi Digital Hub	5,200,000.00	5,200,000	-		5,200,000
13.2 Subukia NG-CDF Strategic Plan	1,800,000.00	1,800,000	-	1,500,000	300,000
Sub-total	1,800,000	7,000,000	-	1,500,000	5,500,000
Funds pending approval**					
unapproved projects	374,906	374,906			374,906
AiA	10,000	10,000			10,000
Sub-total	384,906	384,906	-	-	384,906
Total	88,766,799	286,190,420	35,925,861	123,411,859	162,778,562

(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 subukia Constituency principal activity is implementation of approved projects funded under the NG CDF.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Subukia has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

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

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act, and International Public Sector Accounting

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Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. <i>Not applicable</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>Not applicable</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-

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

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	<i>Not applicable</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>Not applicable</i></p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

b) 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. **Budget information**

The original budget was approved by Parliament on 30 June 2025 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.

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

an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

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significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*

b) Financial liabilities

Classification

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

g) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

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

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the

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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, 20xx

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.

(include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions

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6. Transfers from the NGCDF Board

Description	Period ended June 2025
NGCDFB Transfers (Allocation for the FY)	161,497,759
TOTAL	161,497,759

7. Transfers from domestic and foreign partners

Description	Period ended June 2025
	Kshs
Grants	-
Total	-

8. Finance income

Description	Period ended June 2025
	Kshs
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

Description	Period ended June 2025
	Kshs
Rental Income	-
Income from sale of tenders	15,510
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere <i>(specify)</i>	-
Total	15,510

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10. Employees cost

Description	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,759,864
Personal allowances paid as part of salary	-
House Allowance	290,250
Transport Allowance	271,800
Leave allowance	-
Gratuity to contractual employees	742,676
Employer Contributions Compulsory national social security schemes	153,406
Employer Contributions Compulsory Housing levy	66,836
Employer contributions to National Industrial Training Authority	4,200
Other Specify	-
Total	4,289,031

11. Committee Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	697,420
Other Committee expenses	3,479,032
Monitoring and Evaluation	728,000
Total	4,904,452

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12. Use of Goods and services

Description	Period ended June 2025
	Kshs
Utilities, supplies and services	136,107
Communication, supplies and services	163,000
Domestic travel and subsistence	1,265,300
Printing, advertising and information supplies & services	39,670
Office Rent	-
Training expenses	-
Hospitality supplies and services	631,393
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	917,950
Fuel, oil & lubricants	532,500
Bank Charges	5,000
Routine maintenance – vehicles and other transport equipment	13,329
Routine maintenance – other assets	9,000
Electricity	27,160
Strategic plan expenses	1,500,000
Other operating expenses	289,573
Total	5,529,982

13. Other Government Units Actual expenditure

Description	Period ended June 2025
	Kshs
Primary Schools Actual expenditure	40,106,037
Secondary Schools Actual Expenditure	4,403,468
Tertiary Institutions Actual Expenditure	1,271,253
Total	45,780,758

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14. Other Grants and transfers Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Bursary – secondary schools	31,189,802
Bursary – tertiary institutions	20,700,980
Bursary – special schools	1,721,165
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	2,404,932
Climate change mitigation projects	-
Emergency projects Actual Expenditure	4,398,291
Roads projects	-
Others specify - NGCDF Office Furniture	1,612,198
Others specify - Constituency Sports Tournament	728,575
Others specify - Regional Sports Tournament	300,000
Total	63,055,943

15. Depreciation and Amortization Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Property Plant and Equipment	162,000
Intangible Assets	-
Total	162,000

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Subukia NGCDF A/C 1460262029569 (Operations account)</i>	74,893,745	80,890,000.18
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Subukia National Government - Deposit Account A/C 0130286526354 (Deposit account)</i>	912,177	-
<i>Name of Bank, account No. (PMC's account)</i>	34,702,625	7,861,290.00
Total	110,508,548	88,751,290
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement	
	Kshs		1st July 20XX	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	#DIV/0!	-	#DIV/0!
Between 1- 2 years	-	#DIV/0!	-	#DIV/0!
Between 2-3 years	-	#DIV/0!	-	#DIV/0!
Over 3 years	-	#DIV/0!	-	#DIV/0!
Total (a+b)	-	#DIV/0!	-	#DIV/0!

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement	
	Kshs		1st July 2024	
Transfers from NGCDFB	52,270,014		35,925,861.00	
Outstanding imprest	-		-	
Total	52,270,014		35,925,861	

Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement	
	Kshs		1st July 20XX	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	52,270,014	100%	35,925,861	100%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	52,270,014	100%	35,925,861	100%

22. Prepayments

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

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	25.00%	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	200,000	-	-	200,000
Additions	-	-	-	-	-	400,000	-	-	400,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At xx Sep/Dec/Mar/Jun 2025	-	-	-	-	-	600,000	-	-	600,000
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	60,000	-	-	60,000
Depreciation	-	-	-	-	-	162,000	-	-	162,000
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At xx Sep/Dec/Mar/Jun 2025	-	-	-	-	-	222,000	-	-	222,000
Net Book Values									
Opening Bal as at 1 st July 2024	-	-	-	-	-	140,000	-	-	140,000
As At 30th June, 2025	-	-	-	-	-	378,000	-	-	378,000

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Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	600,000	222,000	378,000
Office Equipment, Furniture, And Fittings	-	-	-
Total	600,000	222,000	378,000

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

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

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24. Intangible Assets

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Cost		
Opening balance at the beginning of the Period	-	-
Additions	-	-
Disposal	-	-
At end of the Period	-	-
Additions—internal development	-	-
Disposal	-	-
At end of the Period	-	-
Amortization and impairment		
At beginning of the Period	-	-
Amortization	-	-
At end of the Period	-	-
Impairment loss	-	-
At end of the Period	-	-
NBV	-	-

25. Right-of use assets

Description	<i>Buildings</i>	Motor vehicles	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 June 2025	-	-	-	-
Carrying Amount				
As at 30 June 2025	=	=	=	=

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26. Trade and Other Payables

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Trade payables	-	-
Employee payables	-	-
Other payables	-	-
Total trade and other payables	-	-

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

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27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 20XX</i>
	Kshs	Kshs
Retention as at start of the period (A)	2,668,911	-
Retention held during the period (B)	3,342,168	2,668,911
Retention paid during the period (C)	2,262,962	-
Closing Retention as at period xx, D= A+B-C	3,748,117	2,668,911

Retentions aging analysis.

	<i>Period ended June 2025</i>	<i>% of the total</i>	<i>Opening statement 1st July 2024</i>	<i>% of the total</i>
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,443,076	1,443,076
Gratuity held during the period (B)	742,676	-
Gratuity paid during the period (C)	1,273,574	-
Total Gratuity provision as at period xx D=(A+B-C)	912,177	1,443,076

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30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	37,791,103
Adjusted for:	
Depreciation	162,000
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	16,344,153
Changes in deferred income	-
Changes in Third party deposits	(1,079,206)
Changes in gratuity provision	530,899
Changes in payments received in advance	-
Net cash flow from operating activities	22,157,258

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

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	52,270,014	52,270,014	-	-
Bank balances	74,893,745	74,893,745	-	-
Total	127,163,759	127,163,759	-	-
As at 30 June (Previous FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	35,925,861	35,925,861	-	-
Bank balances	80,890,000	80,890,000	-	-
Total	116,815,861	116,815,861	-	-

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

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Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	912,177	-
Total	-	-	912,177	-
As at 30th June (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	1,443,076	-
Total	-	-	1,443,076	-

iii) Market risk

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

a) Foreign currency risk

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

b) Interest rate risk

Interest rate risk is the risk that the *Entity's* financial condition may be adversely affected as a result of changes in interest rate levels. The *Entity's* interest rate risk arises from bank deposits.

This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

iv) Capital Risk Management

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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	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	158,496,267	120,705,164
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	158,496,267	120,705,164
Total Borrowings	-	-
Less: Cash and Bank Balances	(110,508,548)	(88,751,290)
Net Debt/(Excess Cash And Cash Equivalents)	47,987,719	31,953,874
Gearing		

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32. Related Party Disclosures

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	697,420	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	145,153,606	-
Total	-	-

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

(Give details)

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Contingent Liabilities

Description	Period ended June 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	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised 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 authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost At Year/period End (Kshs)
Land				-
Buildings and structures				-
Transport equipment				-
Office equipment, furniture, and fittings				-
ICT Equipment and Other ICT Assets	140,000	400,000.00		378,000.00
Other Machinery and Equipment				-
Intangible assets				-
Total	140,000	400,000	-	378,000

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

PMC	Bank	Account number	Bank Balance Period ended June 2024	Opening Statement 1 st July 2025
Akuisi Primary	Equity Bank - Westside Mall	1460 262144314	967.00	967.00
Arash Primary School	Equity Bank - Westside Mall	1460 262170734	124,474.00	124,474.00
Arash Secondary School	Equity Bank - Kenyatta Avenue Nakuru	0310 299481192	12,855.00	12,855.00
Chania Primary School	Equity Bank - Gate House Nakuru	0130 278047716	48,834.00	212,748.00
Endao Primary	Equity Bank - Westside Mall	1460 264169561	588,143.05	77.00
Gakingi Primary	Equity Bank - Gate House Nakuru	0130 262611371	943,879.49	49,122.00
Gitundaga Primary School	Equity Bank - Gate House Nakuru	0130 284431311	1,062.00	100,062.00
Gitura Police Post	Equity Bank - Gate House Nakuru	0130 270579106	288.00	288.00
Gitura Primary School	Equity Bank - Gate House Nakuru	0130 277431540	1,360.00	37,860.00
Gitura Secondary School	Equity Bank - Westside Mall	1460 263634765	376.00	376.00
Jamhuri Primary School	Equity Bank - Westside Mall	1460 162220233	9,989.00	9,989.00
Kabazi Secondary School	Equity Bank - Kenyatta Avenue Nakuru	0310 262150838	5,439,231.94	131,986.00

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Kamumo Primary School	Equity Bank - Gate House Nakuru	0130 285524068	903,227.69	-
Kamumo Primary School	Equity Bank - Gate House Nakuru	0130 286487263	550.00	-
Kaptarakwa Primary School	Equity Bank - Nyahururu	0160 290844844	400.50	18,458.00
Kianoe Chiefs Office	Equity Bank - Nyahururu	0160 285964728	1,601,000.00	-
kianyoro primary school	Equity Bank - Westside Mall	1460 264241394	20,249.00	20,249.00
Kieni Primary School	Equity Bank - Westside Mall	1460 262243354	42.00	42.00
Kieni Secondary School	Equity Bank - Westside Mall	1460 284401269	2,432.50	2,432.50
Kirima Primary School	Equity Bank - Westside Mall	1460 162215986	343.00	343.00
Looremata Primary School	Equity Bank - Westside Mall	1460 262158733	1,355.00	1,355.00
Magomano Primary School	Equity Bank - Gate House Nakuru	0310 190181327	869.00	869.00
Magomano Secondary	Equity Bank - Westside Mall	1460 262224521	3,322.00	3,322.00
Mansukh Primary School	Equity Bank - Westside Mall	1460 264414036	1,038.50	566,091.00
Maombi Primary School	Equity Bank - Westside Mall	1460 264034019	1,841,769.03	517.00
Marana Primary School	Equity Bank - Gate House Nakuru	0130 285502277	173,079.00	-
Marigu B Primary School	Equity Bank - Gate House Nakuru	0130 190137870	11,294.50	51,352.00

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Maryland Secondary	Equity Bank - Westside Mall	1460 262093626	288.00	288.00
Mbogoini Primary School	Equity Bank - Gate House Nakuru	0130 285507005	842,621.00	-
Mibarak Primary	Equity Bank - Gate House Nakuru	0130 262567780	622,949.00	1,498.00
Mihango Primary School	Equity Bank - Gate House Nakuru	0130 284425918	103.00	103.00
Mikima Primary School	Equity Bank - Gate House Nakuru	0130 285412431	65,912.00	780,000.00
Mumoi Police Post	Equity Bank - Gate House Nakuru	0130 286446207	950,000.00	-
Mumoi Primary School	Equity Bank - Gate House Nakuru	0310 272220509	996.50	734,169.00
Mwireri Primary School	Equity Bank - Westside Mall	1460 279247778	164,599.00	164,599.00
Ndungiri Primary	Equity Bank - Kenyatta Avenue Nakuru	0310 294476122	750.00	750.00
Olbonata Primary School	Equity Bank - Gate House Nakuru	0130 266 636 887	1,817.00	1,817.00
Olbonata Secondary School	Equity Bank - Kenyatta Avenue Nakuru	0310 261966642	1,189.00	1,189.00
Oldonyo Mara Primary School	Equity Bank - Westside Mall	1460 262194130	775.00	775.00
Our Lady Of Victories Primary School	Equity Bank - Gate House Nakuru	0130 284571168	5,108,362.71	499,575.00
Rigogo Chonjo Primary School	Equity Bank - Westside Mall	1460 162294376	2,501.00	96,196.00
Rigogo Secondary	Equity Bank - Gate House Nakuru	0130 278050775	620.00	620.00

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Ruiru Chief's Office	Equity Bank - Gate House Nakuru	0130 264 086 540	2,390.00	2,390.00
Sidai Primary School	Equity Bank - Gate House Nakuru	0130 278047703	128.00	128.00
Sidai Secondary School	Equity Bank - Westside Mall	1460 262178174	42.00	42.00
Simboiyon Primary School	Equity Bank - Gate House Nakuru	0130 262 569 553	1,783,944.78	678,459.00
Solai Boys Secondary School	Equity Bank - Kenyatta Avenue Nakuru	0310 280281529	140.00	140.00
Solai Nyakinyua Primary School	Equity Bank - Westside Mall	1460 162166761	1,285.00	1,285.00
St. Marks Eldonio Secondary School	Equity Bank - Gate House Nakuru	0130 262 581 962	1,821.00	1,821.00
St. Michael Gatagati Secondary	Equity Bank	1460 262247499	3,979.00	3,979.00
St. Ulrich Secondary School	Equity Bank - Westside Mall	1460 285528527	391,100.00	-
Subukia Cdf Office Furniture	Equity Bank - Gate House Nakuru	0130 286496377	884.71	-
Subukia Day Secondary School	Equity Bank - Westside Mall	1460 262259028	3,273.00	3,273.00
Subukia East Assistant Chiefs Office	Equity Bank - Gate House Nakuru	0130 285961544	358,489.50	-
Subukia East Chiefs	Equity Bank - Gate House Nakuru	0130 277446444	4,865.00	4,865.00
Subukia Police Station	Equity Bank - Gate House Nakuru	0130 286495381	81,067.00	-
Subukia Primary School	Equity Bank - Gate House Nakuru	0130 284510765	3,647.00	3,647.00

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Subukia Technical and Vocational College	Equity Bank - Gate House Nakuru	0130 285381765	158,237.00	1,355,512.00
Subukia-Sports tournament	Equity Bank - Gate House Nakuru	0130 280139051	56.00	728,131.00
Tachasis Primary School	Equity Bank - Gate House Nakuru	0130 285385298	15,462.40	1,231,930.00
Tetu Subukia Primary School	Equity Bank - Gate House Nakuru	0130 285385409	100,800.00	132,300.00
Thuthua Anti-Stock Theft Unit	Equity Bank - Gate House Nakuru	0130 285958167	1,108,368.00	-
Wei Primary School	Equity Bank - Gate House Nakuru	0130 285513389	828,827.14	-
Wiyumiririe Secondary	Equity Bank - Westside Mall	1460 262239083	1,174.00	1,174.00
Rift Valley Institute of Science and Technology	Co-operative - Nakuru	0113 6087643401	10,000,000.00	-
Mburu Gichua Primary School	National Bank - Nakuru	0122 4062300700	42,479.00	1,794.00
Green Hills Secondary School	National Bank - Nakuru	0102 5021170100	232,025.50	780.50
Morro Hill Primary School	National Bank - Nakuru	0122 4019920500	82,226.00	82,226.00
Total			34,702,625.44	7,861,290.00

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)
SUBUKIA/CDF/AUDIT2023-24/1	1.Unsupported Other Grants and Other Transfers The statement of receipts and payments reflects other grants and other transfers amount of Kshs. 62,670,496 which includes emergency projects amount of Kshs, 8,306,612 as disclosed in Note 8 to the financial statement. However, review of projects files/records revealed that 4 (four) projects worth Kshs. 6,146,612 were implement and paid for without measured interim payment certificates, project management committee minutes approving	We are preparing a response to be reviewed by auditors during the next Audit Exercise	Not yet resolved	September 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	payments, and certificate of practical completion. In the circumstances, the accuracy and completeness of emergency projects amount of Kshs, 8,306,612 could not be ascertained.			
SUBUKIA/CDF/AUDIT2023-24/2	2.Budgetary Control and Performance The summary statement of appropriation reflects a final receipts budget and actual on comparable basis of Kshs. 246,076,363 and Kshs. 210,357,408 respectively resulting to under-funding of Kshs. 35,925,861 or 15% of the budget. Further, the Fund spent Kshs. 246,283,270 against actual receipts amount of 210,357,408 resulting to underutilization Kshs. 80,890,000 or 38% of the actual receipts.	We are preparing a response to be reviewed by auditors during the next Audit Exercise	Not yet resolver	September 2025
SUBUKIA/CDF/AUDIT2023-24/3	3.Unreturned PMC Account Balances	We are preparing a response to be reviewed by auditors	Not yet resolved	September 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Note 19.4 to the financial statements reflects a balance of Kshs. 9,224,660 in respect of Project Management Committee (PMC) balances as at 30th June, 2024. These balances were not returned to the constituency account as required by section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account. In the circumstance, Management was in breach of the law</p>	<p>during the next Audit Exercise</p>		
SUBUKIA/CDF/AUDIT2023-24/4	<p>4.Failure to Transfer Gratuity to Retention Account Statement of receipt and payments reflects compensation of</p>	<p>We are preparing a response to be reviewed by auditors during the next Audit Exercise</p>	<p>Not yet resolved</p>	<p>September 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>employees amount of Kshs. 3,834,884 as disclosed to Note 4 to the financial statement. Review of payroll and cashbook showed Kshs. 1,443,076 being gratuity to contractual employees was not transferred to the retention account as the fund is yet to open a deposit account. In addition, the gratuity had not been disclosed as a payable in the statement of assets and liability. This is contrary to Section 7(1)(a) of the National Government Constituencies Development Fund (Amendment) Act, 2022 which states each Constituency shall open one deposit account for holding third party monies which shall so be designated and such account shall be known by</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>name of the constituency for which it is opened and Section 12(1)(a) of the National Government Constituencies Development Fund (Amendment) Act, 2022 which states that each constituency shall maintain one deposit account and one operations account. The deposit account shall be used for holding any third-party monies e.g., retention for construction projects, accumulated gratuity or service pay for committee staff and any other monies withheld by the constituency in relation to implementation of projects under the NG-CDF Act.</p> <p>In the circumstances, Management was in breach of the law.</p>			
SUBUKIA/CDF/AUDIT2023-24/5	6.Delayed Construction of Constituency Offices	We are preparing a response to be	Not yet resolved	September 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Note 19.3 to the financial statements reflects unutilized funds amount of Kshs. 116,815,862. Included in the amount is Kshs. 9,118,516 for construction of the constituency offices. Records provided indicated that the projects has been pending for over four (4) years. This is contrary to Regulations, 2016, which requires projects to receive adequate funding and be completed within three (3) years.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>reviewed by auditors during the next Audit Exercise</p>		

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Name: Miriam Naini
 Ag. Fund Account Manager.