


REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT 17 FEB 2026	DAY. TUESDAY
TABLED BY:	DEPUTY MAJORITY LEADER
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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - GATUNDU SOUTH
CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

GATUNDU SOUTH 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)
Gatundu South Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Gatundu South 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	Samuel N. Mawiyoo
2.	National Sub-County Accountant	Julius Thuku Kabue
3.	Chairman NGCDFC	Peter Kinyita
4.	Member NGCDFC	Rose Wanjiru Waweru

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Gatundu South Constituency Headquarters

P.O. Box 213-01030 Gatundu
Gatundu CDF Building
Gatundu/Kinari Road
GATUNDU, KENYA.

(e) NGCDF Gatundu South Constituency Contacts

Telephone: (254) 726322626
E-mail: cdfgatundusouth@ngcdf.go.ke
Website: <https://gatundu-south.ngcdf.go.ke>

(f) NGCDF Gatundu South Constituency Bankers

1. Family Bank
Gatundu Branch
P.O. Box 481-01030
Gatundu.
2. Equity Bank
Gatundu Branch
P.O. Box 528-01030
Gatundu.
3. Family Bank- (Deposit Account)
Gatundu Branch
P.O. Box 481-01030
Gatundu.

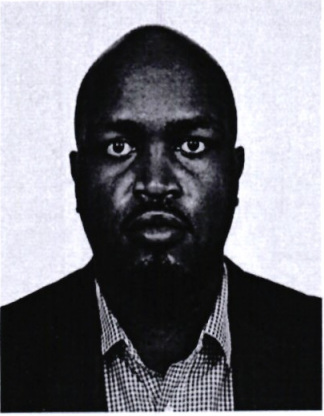


(g) Independent Auditor

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





(h) Principal Legal Adviser

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

3. NG-CDF Committee

Name	Details
<p>Peter Gathiga Kinyita</p>  <p>Chairman</p>	<p>Date of Birth:10/03/1990 Academic Qualification: Bachelor of Arts Work Experience: NGCDFC member from 2022 and business man</p>
<p>Rose Wanjiru Waweru</p>	<p>Date of Birth:22/11/1987 Academic Qualification: Computer Studies & Secondary Education Work Experience: NGCDFC member from 2022</p>
	
<p>Samuel Mungai Kamau</p> 	<p>Date of Birth: 07/01/1978 Academic Qualification: Diploma in Theology studies & Secondary Education Work Experience: NGCDFC member from 2022</p>

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<p>Salome Njeri Ng'ang'a</p> 	<p>Date of Birth:16/01/1985 Academic Qualification: Secondary Education Work Experience: NGCDFC member from 2022</p>
<p>Joseph Njoroge Nyamathwe</p> 	<p>Date of Birth:08/12/1988 Academic Qualification: Secondary Education Work Experience: NGCDFC member from 2022</p>
<p>Faith Muthoni Churu</p> 	<p>Date of Birth:30/09/1966 Academic Qualification: Diploma in Theological studies & Secondary Education Work Experience: NGCDFC member from 2022</p>
<p>George Wanyoike Kaboro</p> 	<p>Date of Birth:04/07/1963 Academic Qualification: College & Secondary Education Work Experience: NGCDFC member from 2022</p>

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Stephen Wanyoike Kaboro



Date of Birth:21/04/1981
Academic Qualification: Secondary Education
Work Experience: NGCDFC member from 2022



Samuel N. Mawiyoo - FAM

Date of Birth:07/07/1983
Academic Qualification: International Business
Administration-Finance
Work Experience: 7 Years work experience in different
fields and 8 years as Fund Account Manager

3. NG-CDFC Chairman's Report



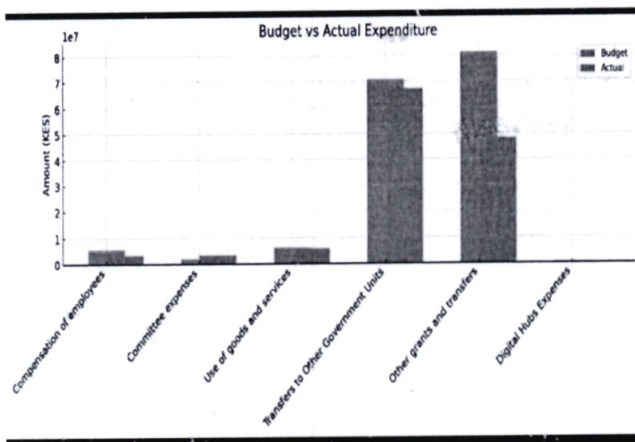
Peter Gathiga Kinyita

As the chairman of GATUNDU SOUTH NGCDFC on behalf of the committee members, I am pleased to present to you the annual report and financial statements for the financial year 2024-2025 for GATUNDU SOUTH Constituency. In the year under review, the constituency had a final budget of **Kshs 326,854,514** inclusive of an opening cash book balance of **Kshs 97,992,414**. The Constituency spent **Kshs 128,154,223** and closed with a cashbook balance of **Ksh. 152,312,223** which was **39 %** of the amount received from the board.

The table below shows a summary of the budget and the implementation level

PAYMENT	Budget	Actual
Compensation of employees	5,624,714	3,523,748
Committee expenses	1,830,000	3,344,000
Use of goods and services	6,182,875	5,710,768
Transfers to Other Government Units	70,657,000	67,242,726
Other grants and transfers	81,177,456	48,117,955
Digital Hubs Expenses	406,197	215,026
TOTAL	170,469,857	128,154,223

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From the above analysis, the performance of Gatundu South NG-CDF has been exemplary given the circumstances and this is 20as a result of teamwork among the NG-CDFC and the various stakeholders. We intend to perform better in the coming financial year so that the residents of Gatundu South can get value for their money and better services.

During the financial year under review, Gatundu South NGCDF Committee achieved quite a lot, key among them are listed below.

During the financial year 2024 -2025, the constituency implemented several projects in various sectors, which show great improvement on financial year allocation.

Fig. 1.0–Renovation of 6 No. classrooms at Gitwe Primary School (FY 2024-2025)



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Fig. 1.1–Renovation of 6 No. classrooms at Gitare Primary School (FY 2024-2025)



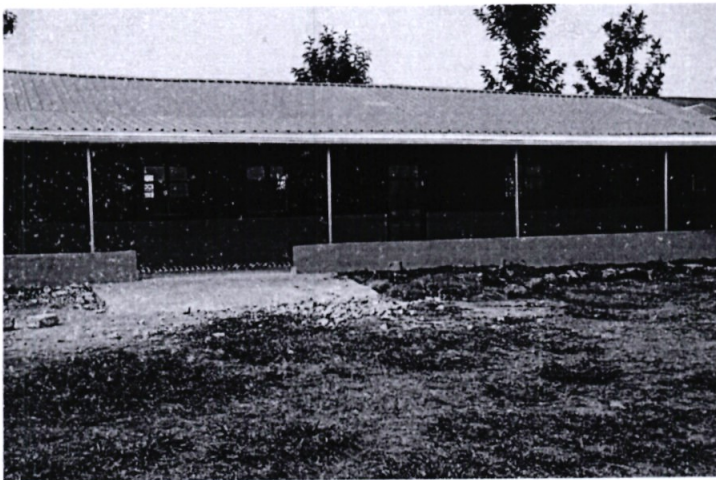
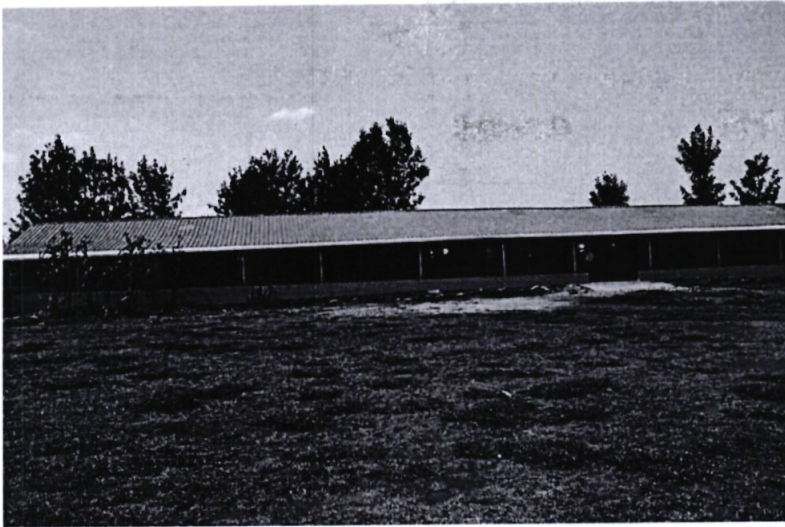


Fig. 1.2–Renovation of 6 No. classrooms at Mbogoro Primary School (FY 2024-2025)





Emerging Issues

During the financial year under review, the following were the emerging issues that the NGCDF had to handle;

- I. The introduction of E-procurement process that necessitate training of members of the committee and staff.
- II. The rejection of finance bill 2023 that could have seen Gatundu South NGCDF benefiting with additional and increased development programs.

Challenges

Major challenges faced by the Fund include;

- 1) Delay in disbursement of funds from the board that has affected timely implementation of projects.
- 2) The removal of sports as a fundable activity that has led to idleness amongst the young people who were initially benefiting from the kitty. We are currently receiving a lot of requests on the same though we are not able to fund.

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Way forward

Board needs to release funds in good time, secondly the Board needs to lobby for increase of funding to every constituency and finally the various institutions need to lobby for funding from other agencies including the NGOs to avoid overreliance on the NGCDF funding.



**Peter Kinyita
Chairman NGCDF Committee**



5. Statement of Performance against Predetermined Objectives for FY2024/2025

Introduction

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

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

1. Promote and improve the quality of education standards
2. Improve the security status, and strengthen security sector
3. Improve sports and talents among the youth.
4. Enhance quality leadership and policy direction for effective fund management

(Enumerate the key objectives of the constituency as per the Strategic Plan)

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 2024/2025</p> <ul style="list-style-type: none"> -we increased number of classrooms/ dormitories/laboratories etc from ... to... in the following schools/institutions -Bursary beneficiaries at all levels were as per the attached schedules. - Day Secondary to all day beneficiaries that had applied, Secondary Boarding, college /University students and Special school's students. Vocational beneficiaries is still ongoing

Security	To improve security status and strengthen security sector	Construction of Mukinyi Police Station.	-Number of police stations in every ward	
Climate change mitigation activities				
Emergency	Fire protection facilities have been provided inside and outside the building.	Provision of fire protection and clothing.	- Fire extinguishers are adequate and well maintained	- Number increased from 3-5
Others (Specify)				

6. Governance Statement

Background

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency.

Further, Section 5 (1) of the regulation states that the members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

The officer of the board coordinated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel

Officer of the Board seconded to the constituency who is be the secretary of the selection panel
 Further the NG CDF regulations requires that for one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age

of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

NG-CDFC process of appointment

The NGCDF Act 2016 on appointment of NGCDFC members' states;

(1) The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

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

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

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

one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;

the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and

Two persons, one of either gender, nominated by the Constituency office.

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

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

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

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

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

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

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette. 1952 Kenya Subsidiary Legislation, 2016

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in churches, public offices notice boards and other public areas in the constituency. The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed from Gsatundu South Constituency Office as per section 43 of the NG-CDF Act, 2015.

Five best NG-CDF applicants were selected taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act

THE KENYA GAZETTE

Gatundu South NG-CDFCs member's approval,

NAME	ROLE	DATE OF GAZETTEMENT
Peter Gathiga Kinyita	Male Youth Representative	16 th Dec 2022
Samuel Mungai Kamau	Male Adult Representative	16 th Dec 2022
Rose Wanjiru Waweru	Female Youth Representative	16 th Dec 2022
Salome Njeri Ng'ang'a	Female Adult Representative	16 th Dec 2022
George Wanyoike Kaboro	Representative of the Persons Living with Disability	16 th Dec 2022
Joseph Njoroge Nyamathwe	Nominee of the Constituency Office (Male)	16 th Dec 2022
Faith Muthoni Churu	Nominee of the Constituency Office (Female)	16 th Dec 2022

NG-CDF Committee Tenure

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the NG-CDF Act 2015.

The Role of the Constituency Committee

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

Convene public meetings in every ward in the constituency to deliberate on development matters.

Deliberate on project proposals and any other projects considered beneficial to constituency.

List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.

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.

Ensure that all projects receive adequate funding and are completed within three years.

Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.

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.

Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.

Enter into performance contracting with the Board on an annual basis.

Removal of a member

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

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a

fair hearing before the resolution is made. In Gatundu South the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Handing Over

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was carried out smoothly and successfully on 6th June, 2025.

Meeting Frequency

The NGCDF Committee convened a total of 24 meetings in the financial year 2024/2025, aligning with the provisions of the act.

Conflict of Interest Policy

While conflict of interest is a recurring topic in their meetings, no member has raised any concerns on this matter.

Remuneration

Committee members do not receive a fixed monthly salary but are granted a 5,000/= allowance per meeting attended.

Ethical Standards and Conduct

To uphold order and ethical standards, members are expected to adhere to principles such as confidentiality, integrity, willingness, openness, and transparency. They take an oath of office before commencing their service.

Risk Management

To effectively manage risks, several measures have been implemented, including oversight by the Project Management Committee, creating a conducive working environment, evaluating bill of quantities prior to fund allocation, establishing mechanisms for efficient bursary issuance, allocating adequate funds for ongoing projects, conducting regular

assessments of NGCDF Projects, maintaining a structured communication channel between the Board and the Constituency, accounting for inflation in the Bills of Quantity, and ensuring proper security measures at the office, project sites, and during assessments.

Additionally, continuous capacity building efforts target employees, NGCDF committee members, and stakeholders for enhanced effectiveness.

7. Environmental and Sustainability Reporting

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

8. Management Discussion and Analysis

Gatundu South Constituency has endeavored to sustain community engagement through through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects and made them prioritize on which project they should come first.

Public Participation in Project Identification, Implementation, and Monitoring

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

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

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

Public Awareness

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

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

HEZ

.....
Fund Account Manager

Samuel Mawiyoo



9. Environmental and Sustainability Reporting

Environmental matters relates to mitigation of the climate change effects that has been put forward as a government agenda. The recent amendment of NGCDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NGCDF Fund. Gatundu South NG-CDF in its budget for financial year 2024-2025 allocated Funds for landscaping and purchase of tree seedlings to two primary schools.

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Gatundu South 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, re-afforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

During the Financial year, Gatundu South Ng-CDFC budgeted for landscaping and tree planting in Kiamwangi and Munyuini Primary school to mitigating the climate change effects.

Sensitization of youth/ community on the impact of drugs after by construction of police post supported Gatundu South NG-CDF at Mukinyi area in Ngenda ward.

3. Employee welfare

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

Gatundu South Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

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

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

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

Public Awareness

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

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

Samuel Mawiyoo

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Samuel Mawiyoo
Fund Account Manager.



10. 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- Gatundu South 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- Gatundu South 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- Gatundu South Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


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

The Accounting Officer in charge of the NGCDF Gatundu South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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

Approval of the financial statements

The NGCDF- Gatundu South Constituency financial statements were approved and signed by the Accounting Officer on 8th Dec, 2025.


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Peter Kinyita
Chairman – NGCDF Committee




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Samuel Mawiyoo
Fund Account Manager



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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituency Development Fund- Gatundu South Constituency set out on

pages 32 to 98 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of change in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituency Development Fund - Gatundu South 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. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inconsistencies;

- i. The statement of financial position reflects a cash and cash equivalents comparative balance of Kshs.97,992,414 while the prior year audited financial statements reflect a total balance of 95,529,953 resulting to an unexplained balance of Kshs.2,462,461.
- ii. The statement of changes in net assets reflects adjustments for recognition of assets and liabilities amounts of Kshs.71,255,265 and Kshs.4,203,803 respectively, which was not supported with an elaborate note describing what the amounts relate to.
- iii. The statement of financial position reflects property, plant and equipment of Nil balance, however, the corresponding Note 23 to the financial statements reflects property, plant and equipment net book value of Kshs. 9,052,474. The inconsistency was not explained or supported.

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

2. Unsupported Cash and Cash Equivalents Balance

The statement of financial position and Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.131,706,442. Audit review of record provided revealed the following anomalies;

- i. The cash and cash equivalent balance of Kshs.131,706,442 includes Project Management Committee (PMC) account balance of Kshs.22,882,044 as disclosed in Annex 2 to the financial statements. However, the bank confirmation certificates, cash books and bank reconciliations for the PMC accounts were not provided in support of the balance. Further, Project Management Committees minutes and quarterly reports to the Constituency Committee were not provided.
- ii. Review of bank statements for various PMC accounts revealed cash withdrawals amounting to Kshs.2,642,955. However, the supporting documents for the withdrawal and authority to withdraw were not provided for the audit. Further, the Fund did not maintain a memorandum cashbook to record the use put into the cash withdrawn.
- iii. Stale cheques amounting to Kshs.7,962 had not been reversed in the bank cash book.
- iv. An amount of Kshs.2,291,845 from the PMC banks was deposited into the NGCDF account as reflected in both the PMC accounts analysis and the cashbook. This amount has remained outstanding since 2023, and was indicated as receipts in the bank statement but not in the cashbook. Further, the bank statements for the period were not provided to confirm the transaction.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.131,706,442 could not be confirmed.

3. Summary of Fixed Assets Register

Annex 1 to the financial statements reflects a summary of fixed asset register with assets valued at Kshs.11,537,168. However, the fixed asset register was provided for audit review. Further, ownership documents for the land where the Constituency Office sits were not provided for audit review.

In addition, and as previously reported, the Fund purchased a motor vehicle at a cost of Kshs.9,085,000 in the financial year 2023/2024. However, a follow up on the same during the year under review, revealed that the procurement process lacked essential documentation including advertisement notices, tender opening and evaluation minutes and professional opinion, making it difficult to confirm whether due process was followed. In addition, the pre-inspection report was dated after the vehicle's delivery. The Fund also incurred additional costs in the year under review amounting to Kshs.1,330,498 for insurance, transport hire and fuel. In addition, the work ticket provided by Management for the month of September revealed inconsistencies between the location where the motor vehicle closes the day and where the motor vehicle begins at the following day. In the circumstances, the accuracy, regularity and completeness of assets valued at Kshs.11,537,168 in the custody of the Fund could not be confirmed.

4. Inconsistencies in Other Grants and Transfers

The statements of financial performance and Note 14 to the financial statements reflects other grants and transfers actual expenditure of Kshs.48,235,112. However, review of records provided revealed the following anomalies;

4.1 Irregular Bursary Payment to Education Support Programmes

The statements of financial performance and Note 14 to the financial statements reflects other grants and transfers actual expenditure of Kshs.48,235,112. Included in this amount is Kshs.5,839,400 paid on 17 February, 2025 through cheque No.001418 as bursary to Education Support Programmes. However, the supporting contracts or formal approval documentation were not provided in support of the expenditure. Further, audit review established that a local supplier was awarded training of students under the tertiary institutions' bursary programmes. However, the following documentation was not provided in respect to bursary payment:

- i. Formal enrolment or admission letters issued by the training institutions showing the students were registered for the specific courses funded under the bursary.
- ii. Official class registers or daily attendance sheets signed by the students and countersigned by the course tutors or institution administrators.
- iii. Training timetables or class schedules indicating when the sessions took place.
- iv. Assessment records such as examination results, grading sheets or competency evaluation reports.
- v. Acknowledgement forms signed by beneficiaries confirming they received the training sponsored under the bursary program.
- vi. Course completion certificates or transcripts issued to the beneficiaries upon successful completion of training.

4.2 Unaccounted for Bursary Funds

The other grants and transfers expenditure of Kshs.48,235,112, includes an expenditure totalling Kshs.32,298,000 was not supported with list of non-successful applicants, specific criteria used in awarding the bursary, vetting committee appointment letters and minutes.

4.3 Irregular Expenditure on Bursary Issuance

Audit review of bursary issuance activities revealed multiple payments for allowances, imprests, mobile advertising, refreshments, stationery, taxi hire and logistics totalling Kshs.1,161,000 made to facilitate bursary form distribution and cheque issuance across the Constituency as summarized below:

Voucher No.	Description	Amount (Kshs)
212	Surrender of imprest for bursary forms distribution in 41 sublocations (allowances for staff, chairperson, chiefs, PMC members, stationery, taxi hire, refreshments, airtime)	493,000
205	Payment to a local supplier for mobile advertising with sound system mounted on pick-up during bursary issuance (4 days)	172,000
192	Committee allowances for bursary issuance including FAM, secretary, driver, receptionist and refreshments (5 days)	424,000
211	Surrender of imprest for allowances to chairman, members and FAM during vocational short courses launch and certificate issuance	72,000
Total		1,161,000

However, the costs include cheque-writing allowances for Treasury staff, taxi hire and cash payments to Chiefs and PMC members, which did not form part of the standard CDF bursary disbursement framework. Further, the expenditure breakdown lacked clarity and the linkage of specific costs to verifiable bursary events.

In the circumstances, the accuracy, validity and completeness of other grants and transfers expenditure amounting to Kshs.48,234,820 could not be confirmed.

5. Irregular Expenditure on Use of Goods and Services

The statement of financial performance and Note 12 to the financial statements reflects use of goods and services expenditure of Kshs.5,735,525. However, review of records provided revealed the following;

5.1 Refined Fuel and Lubricants

The Fund paid Kshs.45,433 to a local supplier for servicing the Fund motor vehicle which was supported by a pro forma invoice, a quotation and a pre-inspection report. However, the final invoice or evidence of service completion was not provided for audit verification. Further, payments amounting to Kshs.200,000 were made to a local supplier for supply of fuel for the motor vehicle, vide voucher No.175. However, reconciliations between the fuel drawn, official work tickets and vehicle mileage logs were not provided for audit verification.

5.2 Office and General Supplies

Included in the use of goods and services expenditure is an amount of Kshs.694,224 relating to office and general supplies and services which include an amount of Kshs.65,500 paid to a water company in settlement of a water bill. However, this

expenditure was misclassified and should have been incurred under utilities, supplies and services.

In the circumstances, the accuracy and propriety of use of goods and services expenditure totalling Kshs.5,735,525 could not be confirmed.

6. Unsupported Committee Expenses

The statement of financial performance and Note 11 to the financial statements reflects committee expenses amounting to Kshs.3,344,000. However, payments totalling Kshs.440,300 relating to committee meetings and trainings were not supported by meeting minutes, attendance registers, invitation letters, training materials, and back-to-office reports.

In the circumstances, the accuracy, authenticity and propriety of committee expenses totalling Kshs.3,344,000 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 Constituency Development Fund - Gatundu South 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 revenue budget of Kshs.326,854,166 against actual receipt of Kshs.259,533,856 resulting to underfunding of Kshs.67,320,310 or 21% of the budget. Similarly, the Fund spent Kshs.127,827,415 against actual receipts of Kshs.259,533,857 resulting in budget under-utilization of Kshs.131,706,442 equivalent to 51% of the actual revenue amount.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the National Government Constituencies Development Fund – Gatundu South Constituency in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in Cash and Cash Equivalents Balance
2	2023/2024	Unsupported Purchase of Motor Vehicles
3	2023/2024	Unsupported Project Management Committee Bank Balances
4	2023/2024	Failure to Report on Emergency Utilization
5	2023/2024	Non-Compliance with Set Criteria in Awarding of Bursaries
6	2023/2024	Poor Implementation of Hass Avocado Seedlings Project to Primary Schools
7	2023/2024	Failure to Provide Committee Appointment Letters

Other Information

The Management is responsible for the Other Information set out on pages iv to xxx which comprise of Key Constituency Information and Management, NGCDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the National Government Constituencies Development Fund - Gatundu South Constituency 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. Presentation and Disclosure of the Financial Statements

Review of the financial statements revealed the following errors and omissions: -

- i. The financial statements paging begins from page 32 instead of page 1 hence page numbering is not sequential.
- ii. The amounts in the statements of financial position are not rounded off to the nearest shilling.
- iii. The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.67,320,310. However, the corresponding Note 21 to the financial statements does not indicate the aging analysis of receivables from non-exchange transactions.
- iv. The NGCDF Chairman's report indicates that renovation of six (6) classrooms in three primary schools; Gitwe, Gitare and Mbogoro, was effected in the year under review. However, the projects are not reflected in the ledgers supporting the financial statements and physical verification conducted on 17 September, 2025 revealed that the renovations had not commenced.

In the circumstances, the financial statements do not comply with prescribed Public Sector Accounting Standards Board reporting templates.

2. Irregular Management and Procurement of Security Projects

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.48,235,112 in respect to other grants and transfers actual expenditure which includes an amount is Kshs.7,152,374 relating to security projects. However, audit review of the following projects; Kirangi Police Post, Mukinyi Police Post, Gatundu South Sub-County Headquarters, and Kiamworia and Gitare Chief's Offices revealed the following:

2.1 Kirangi Police Post

A contract valued at Kshs.1,800,000 was awarded through quotations to a contractor referenced NGCDF/GS/KIRANGI/SQR/001/2023-2024 for construction of a three-roomed administrative office. However, key procurement records including advertisement notices, inspection and acceptance report recommending payment and approved drawings, site possession records or site diaries were not provided.

2.2 Mukinyi Police Post

Works were split into two phases within different financial years and awarded to a contractor referenced NGCDF/GS/MUKINYI/SQR/001/2023-2024 at a total cost of Kshs.5,895,653; Phase I at Kshs.2,556,940 and Phase II at Kshs.3,338,713. Phase I was approved and funded in FY 2022/2023 while Phase II was approved in FY 2024/2025 for additional works necessary to complete the station. Payments including voucher No.180 and cheque No.2464, were released to the PMC account for additional works such as roofing, tiling, ceiling, windows, doors and fencing. However, key procurement records such as advertisement notices, inspection and acceptance report recommending payment and approved drawings, site possession records or site diaries were not provided.

Physical verification carried out on 17 September, 2025 confirmed that the project was still ongoing, with the contractor on site. The main structure had been erected and roofed but the building was incomplete. Outstanding works included ceiling installation, electrical wiring, painting as well as fixing of windows and doors. At the time of the visit, the premises remained open and exposed limiting security operations and increasing the risk of weather damage and vandalism.

2.3 Gatundu South Sub County Headquarters

The renovation works for ten-door toilets and related installations were awarded to a contractor at a contract sum of Kshs.1,042,770. Payment voucher No. 075 and cheque No. 1369 confirmed transfer of Kshs.1,050,000 to the PMC account. However, supporting documentation on project supervision was not provided, including approved drawings, site possession or inspection and acceptance reports.

Physical verification conducted on 17 September, 2025 established that the project though completed, remained closed and not in use. Members of the public continued to rely on open defecation despite the existence of the newly constructed facility. No justification was provided for the non-utilization of the project which not only undermines the intended objective but also defeats the essence of prioritizing it under security interventions.

2.4 Kiamworia Chief's Office and Gitare Assistant Chief's Office

The construction of a three-roomed administrative office was awarded to a contractor under Tender No. NGCDF/GS/KIAMWORIA/SQR/001/2023-2024 at a contract sum of Kshs.1,797,136. Funds released to the Project Management Committee account amounted to Kshs.1,800,000 vide cheque No.1336. However, key procurement records such as advertisement notices, approved architectural drawings, site possession records, site diaries or inspection and acceptance reports were not provided.

Physical verification conducted on 17 September, 2025 revealed that while the project was complete, it was not in used, undermining the intended benefits and raising concerns on the justification for its prioritization and classification as a security project. The absence of essential procurement and contract management documents, use of quotations where open tendering was required and splitting of quotations was contrary to procurement law. These lapses heighten the risk of irregular procurement, unsupported payments, poor workmanship and loss of value for money.

In the circumstances, Management was in breach of law and value for money incurred on the projects may not have been obtained.

3. Irregular Management and Procurement of Emergency Projects

Reported in the statement of financial performance and as disclosed in Note 14 to the financial statements is an amount of Kshs.48,235,112 in respect to other grants and transfers actual expenditure which include an amount of Kshs.2,782,849 relating to emergency projects. However, the following observations were made:

3.1 Gatundu South Sub County Retaining Wall

Audit review of the Gatundu South Sub-County retaining wall project valued at Kshs.946,530 revealed an overpayment of Kshs.3,470, misclassification of expenditure, and inconsistencies between the approved and executed works. The project, initially described as a toilet renovation, was later implemented as a retaining wall. Further, key procurement and contract management documents, including advertisement notices, approved drawings, site possession records, and inspection and acceptance reports, were not provided for audit verification.

3.2 Completion of Sanitation Facilities at Mutunguru Primary School

Audit review of procurement records disclosed that under tender No. NGCDF/GS/MUTUNGURU/PRY/001/2024-2025, a contract for the completion of ten (10) number waterborne toilets including a facility for physically challenged individuals at Mutunguru Primary School was awarded to a contractor at a contract sum of Kshs.1,994,560. However, supporting documents such as the advertisement notices,

notification of award, contract agreement, inspection and acceptance reports and evidence of completion and handover were not provided for audit review.

Physical verification carried out on 17 September, 2025 established that the project was not in use and had not been labelled as complete. In addition, the wash basin was not constructed and the facility intended for physically challenged individuals lacked the necessary support rails.

3.3 Construction of Sanitation Facilities at Kagera Primary School

Audit review of records disclosed that the project for the proposed construction of ten (10) waterborne toilets including a facility for physically challenged individuals at Kagera Primary School was financed through a PMC transfer of Kshs.2,000,000 as per payment voucher No. 074 vide cheque No. 1368. However, key project documents including the notification of award, contract agreement, bills of quantities, site inspection and acceptance reports and evidence of completion were not provided for audit review. In the absence of these records, the propriety of the expenditure, implementation status of the project and confirmation of value for money could not be independently verified.

Physical verification carried out on 17 September, 2025 established that the project was not in use and had not been labelled as complete. In addition, the wash basin was not constructed and the facility intended for physically challenged individuals lacked the necessary supporting rails. The project remaining idle to date also undermines the justification for its classification and funding as an emergency.

3.4 Borehole Drilling and Water Pumping Project at Queen of Peace Nembu Secondary School

Audit review of expenditure records disclosed that payment voucher No. 206 of cheque No. 2517 for Kshs.2,200,000 was in respect of borehole drilling and installation of a solar-based water pumping system at Queen of Peace Nembu Secondary School. However, essential supporting documents including feasibility and hydrological studies, environmental assessment reports, signed contract agreement, drilling logs, pumping test results, inspection and acceptance certificates and handover were not provided for audit verification.

In the circumstances, the regularity of the procurement process and confirmation of value for money incurred on the projects could not be confirmed.

4. Non-Compliance on Management of Emergency Reserves

Reported in the statement of financial performance and as disclosed in Note 14 to the financial statements is an amount of Kshs.48,235,112 in respect to other grants and transfers actual expenditure. Included in the amount is Kshs.2,782,774 relating to emergency projects. However, no documentary evidence was provided showing that

NGCDF Gatundu South Constituency had reported any of the emergency expenditure to the Board using the prescribed format and within the stipulated period of 30 days.

In the circumstances, there is risk of depleting and misuse of the emergency reserves and Management was in breach of the law.

5. Non-Compliance with Staff Ethnic Diversity Law

The statement of financial performance reflects employee costs of Kshs.3,683,088 as disclosed in Note 10 the financial statements. Review of the staff human resource records revealed that 100% of Gatundu South National Government Constituencies Government Fund staff were from the same ethnic community. This was contrary to Section 7 of the National Cohesion and Integration Act, 2008 which requires all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff. Lack of diversity in staffing also limits inclusiveness and trust among stakeholders potentially affecting service delivery and institutional credibility.

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

6. Non-Implementation of Projects Following Transfers to Government Units

The statement of financial performance reflects other Government units' actual expenditure of Kshs.66,718,876 as disclosed in Note 13 to the financial statements. However, review of the PMC bank accounts revealed transfers during the year made from Gatundu South National Constituency Development Fund to Gitare Primary School of Kshs.4,500,000. However, as at the time of audit review, no project had been done. The absence of a completed or ongoing project despite the transfer suggests non-compliance with the Public Finance Management Act, 2012 which requires that public funds be applied for the purposes for which they are appropriated and that expenditure be supported by actual delivery of goods or services.

In the circumstances, Management was in breach of law.

7. Non-Compliance with NGCDF Act Mandate

Review of payment voucher No.207 and cheque No.2518, revealed transfer of Kshs.2,900,000 to the Project Management Committee account for renovation of the Deputy County Commissioner's residence. However, the renovation did not meet the requirement of the NGCDF mandate. Further, renovation and maintenance of DCC residences is a function budgeted under the Ministry of Interior and Coordination of National Government and therefore falls outside the mandate of the NGCDF. Funding of projects outside NGCDF mandate and allocation of public funds away from community-based development priorities denies the citizens of intended benefits.

In the circumstances, Management was in breach of law and the Fund is exposed to misappropriation of funds.

8. Non-Rotation of Suppliers Under Other Government Units and Transfers

Review of procurements carried out during the year revealed that only four (4) suppliers were awarded contracts worth Kshs.55,162,325 during the financial year under review. This practice compromised the principles of fairness, transparency and competition as required by the procurement law and also creates the risk of vendor favoritism and over-reliance on a few suppliers, potentially affecting value for money and service delivery.

In the circumstances, Management was in breach of law.

9. Non-Compliance with the Staff Requirement

The statement of financial performance reflects employee costs amount of Kshs.3,683,088 as reflected in Note 10 to the financial statements. Review of the payroll and other documents provided for audit verification revealed that the Constituency employed six (6) staffs during the year contrary to CDF Circular Ref. CDF Board/Circulars/Vol.1.1/116 dated 24 June, 2013 which allows the committee to employ staff not exceeding five in number and such staffs shall have knowledge in construction, basic accounting and Information, communication and Technology.

In the circumstances, Management was in breach of law.

10. Irregular Procurement of Other Government Units' Expenditure

The statement of financial performance reflects other Government units' actual expenditure of Kshs.66,718,876 as disclosed in Note 13 to the financial statements. Included in the amount is Kshs.13,264,505 disbursed to seven (7) secondary schools and Kshs.53,779,126 for proposed renovation to completion of six (6) classrooms in twelve (12) primary schools.

However, the following anomalies were observed;

- i. There was no evidence that quotations were sent to the list of registered suppliers
- ii. Opening and evaluation minutes, opening and evaluation attendance registers, individual technical evaluation scoresheets, professional opinion, project implementation file with correspondences, site instructions and certificate of site possession and project progress reports were not provided for audit.
- iii. Bill of quantities from public works, approved architectural and structural drawings and material testing report were not provided for audit, making it difficult to confirm the actual works executed, design conformity and quality of materials used.

- iv. No evidence of staged technical approvals such as foundation approval, walling inspection and roofing inspection was provided to support the progress of works certified.

In the circumstances, the accuracy, completion and validity of other Government units' expenditure of Kshs.66,718,876 could not be confirmed and the value for money may not have been realized.

11. Irregular Recruitment of NGCDF Staff

The statement of financial performance reflects employee costs of Kshs.3,683,088 as reflected in Note 10 to the financial statements. Review of the personal staff files revealed that Management engaged casuals who were paid a wage of Kshs.10,000 per month amounting to Kshs.150,000 during the year. However, job descriptions of what the casuals were engaged in and timesheets showing the hours worked were not provided for audit.

In the circumstances, the authenticity of employee costs of Kshs.3,683,088 could not be confirmed.

12. Irregular Branding of Government Projects

The statement of financial performance reflects other Government units' actual expenditure amount of Kshs.66,718,876 as disclosed in Note 13 to the financial statements. Physical verification carried out revealed that NGCDF-funded primary and secondary school projects were branded with the name of the serving Member of Parliament. Such branding blurs the distinction between public service and political promotion, potentially creating a perception that the projects are personal contributions rather than Government-funded initiatives.

The practice undermines transparency, fairness, and collective responsibility in public project delivery.

13. Late Remittance of Statutory Deductions

The statement of financial performance reflects employee costs of Kshs.3,683,088 as reflected in Note 10 to the financial statements. Included in the amount is Kshs.153,940 being employer contribution to the National Security Schemes. Review of the Fund compliance with statutory deductions revealed that National Social Security Fund deductions amounting to Kshs.79,888 were remitted past the stipulated period contrary to the law.

In the circumstances, delays in remitting statutory deduction to the relevant authority expose the Fund to penalties and surcharges.

14. Failure to Return Unutilized Project Management Committee Balances

Annex 2 to the financial statements reflects Project Management Committee unutilized fund balances of Kshs.22,882,043 as at 30 June, 2025 which were not transferred to the Constituency Fund Account. This was contrary to Section 12(8) of National Government Constituency Development Fund Act, 2015 which states that, "All unutilized funds of the Project Management Committee shall be returned to the Constituency Account."

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

15. Projects Verification

15.1 Transfers to Primary Schools

The statement of financial performance reflects other Government units' actual expenditure of Kshs.66,718,876 as disclosed in Note 13 to the financial statements. Included in the amount is Kshs.53,553,831 in respect to primary schools. Physical verification carried out on 17 September, 2025 revealed the following projects had been completed but had not been labelled:

S/No	School	Particulars	Contract Sum (Kshs)
1.	Karinga Primary School	Proposed renovation to completion of six (6) no. classrooms was awarded to a contractor via tender number NGCDF/GS/KARINGA/PRY/001/2023-2024	4,496,510
2.	Kirangi Primary School	Proposed renovation to completion of six (6) no. classrooms was awarded to a contractor via tender number NGCDF/GS/KIRANGI/PRY/001/2023-2024	4,495,320
3.	Kiamworia Primary School	Proposed renovation to completion of 6 no. classrooms was awarded to a contractor via tender number NGCDF/GS/KIAMWORIA/PRY/001/2023-2024	4,493,240
4.	Munyu-ini Primary School	Proposed renovation to completion of 6 no. classrooms was awarded to a contractor via tender number NGCDF/GS/MUNYU-INI/PRY/001/2023-2024	4,497,359
5.	Gachika Primary School	Proposed renovation to completion of 6 no. classrooms was awarded to a contractor via tender number NGCDF/GS/GACHIKA/PRY/001/2023-2024	4,497,510

15.2 Transfers to Secondary Schools

The statement of financial performance reflects other Government units' actual expenditure an amount of Kshs.66,718,876 as disclosed in Note 13 to the financial statements. Included in the amount is Kshs.13,165,045 in respect to secondary schools. Physical verification carried out on 17 September, 2025 revealed the following anomalies.

15.2.1 Githuya Secondary School

Proposed construction of ten (10) door modern toilet with biodigester and one chamber for persons with disabilities was awarded to a contractor via tender number

NGCDF/GS/GITHUYA/SEC/001/2023-2024, at a contract sum of Kshs.1,991,630. The project was complete and not in use. Further, the project had not been labelled and the chamber for persons with disabilities did not have a guard rail.

15.2.2 Handege Secondary School

Proposed construction of ten (10) door modern toilet with biodigester and one chamber for persons with disabilities was awarded to a contractor via tender number NGCDF/GS/HANDEGE/SEC/001/2023-2024, at a contract sum of Kshs.1,989,010. The project was complete and not in use. However, the project has not been labelled, the biodigester had no breather and the chamber for persons with disabilities did not have a guard rail.

15.2.3 Munyuini Secondary School

Proposed construction of ten (10) door modern toilet with biodigester and one chamber for persons with disabilities was awarded to a contractor via tender number NGCDF/GS/MUNYU-INI/SEC/001/2023-2024, at a contract sum of Kshs.1,989,010. The project was complete and not in use. Further, the project had not been labelled and the chamber for persons with disabilities did not have a guard rail.

15.3.4 Kagio Secondary School

Proposed construction of ten (10) door modern toilet with biodigester and one chamber for persons with disabilities was awarded to a contractor via tender number NGCDF/GS/KAGIO/SEC/001/2023-2024, at a contract sum of Kshs.1,991,600. The project was complete and not in use. Further, the project had not been labelled and the chamber for persons with disabilities did not have a guard rail.

15.2.5 Ucekeini Girls High School

Proposed completion of ablution block was awarded to a contractor via tender number NGCDF/GS/UCEKEINI/HIGH/001/2023-2024, at a contract sum of Kshs.1,932,070. The project was complete and in use. However, the chamber for persons with disabilities did not have a guard rail.

15.2.6 St. Mary's Kiamworia Girls Secondary School

Proposed extension of ablution block 18 number toilets on existing suspended slab was awarded to a local contractor via tender number NGCDF/GS/KIAMWORIA/HIGH/001/2023-2024, at a contract sum of Kshs.1,999,650. The project was complete and not in use. Further, the project had not been labelled and the chamber for persons with disabilities did not have a guard rail.

15.2.7 Gatitu High School

Proposed construction of ten (10) door modern toilet with biodigester and one chamber for persons with disabilities was awarded to a contractor via tender number NGCDF/GS/GATITU/SEC/001/2023-2024, at a contract sum of Kshs.1,997,875. The project was complete and in use. However, the project has not been labelled and the chamber for persons with disabilities did not have a guard rail.

In the circumstances, it was not possible to confirm whether value for money was obtained from the implemented projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Duplicate Bursary Payments

Audit review of the bursary disbursements identified instances of duplicate payments totalling to Kshs.3,517,000 made up of Kshs.3,231,000 for secondary schools, Kshs.206,000 for tertiary institutions and Kshs.80,000 for special schools. This indicated weaknesses in record-keeping, reconciliation procedures and the absence of a reliable beneficiary verification mechanism.

In the circumstances, the misstatement of bursary expenditure in the financial reports risks potential reputational damage and reduced confidence in the bursary management process.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected

to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

*National Government Constituencies Development Fund (NGCDF)
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12. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	Period ended 30 th June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857.00
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,857.00
Expenses		
Employee costs	10	3,683,088.00
Committee expenses	11	3,344,000.00
Use of Goods and Services	12	5,735,525.00
Other Government Units Actual expenditure	13	66,718,876.00
Other Grants and Transfers Actual expenditure	14	48,235,112.00
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	222,464.00
Total expenses		127,939,065.00
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		42,530,792.00

The Constituency financial statements were approved by the NGCDFC on 8th Dec 2025 and signed by:



National Government Constituencies Development Fund (NGCDF)
 Gatundu South Constituency
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 Chairman NG-CDF
 Committee
 Peter Kinyita




 National Sub-County
 Accountant
 Julius Thuku Kabue
 ICPAK M/No:




 Fund Account Manager
 Samuel Mawiyoo



7. 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	131,706,442.05	97,992,414.85
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	67,320,309.74	58,391,895.00
Prepayments	22	236,453.59	261,211.18.00
Total Current Assets		199,263,205.38	156,645,521.03
Non-Current Assets			

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Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		199,263,205.38	156,645,521.03
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	3,374,957.70	3,454,843.25
Lease Liabilities	28	-	-
Gratuity provision	29	908,300.00	748,960.00
Total Current Liabilities		4,283,257.70	4,203,803.25
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		4,283,257.70	4,203,803.25

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Net Assets (A-B)		194,979,947.68	152,441,717.78
Represented by:			
Revaluation Reserves		194,972,509.60	152,441,717.78
Accumulated Surplus			
Total Net Assets		194,972,509.60	152,441,717.78

The Constituency financial statements set out on pages 1 to 53 approved by NG CDFC on 8th Dec, 2025 and signed by:



**Chairman NG-CDF
 Committee
 Peter Kinyita**




**National Sub-County
 Accountant
 Julius Thuku Kabue
 ICPAK M/No:**



**Fund Account Manager
 Samuel Mawiyoo**



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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 30th June 2024 (cash basis)	85,390,256.00	-	85,390,256.00
Adjustments: (to recognize assets and liabilities)			
Add Assets	71,255,265.00		71,255,265.00
Less Liabilities	4,203,803.00		4,203,803.00
As at July 1, 2024	152,441,718.00		152,441,718.00
Surplus/(Deficit) For the Period	42,530,792.00		42,530,792.00
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)	194,972,510.00	-	194,972,510.00

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

	Notes	<i>Period ended</i>
		<i>30th June 2025</i>
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		161,541,442.00
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		161,541,442.00
Payments		
Employee costs		3,523,748.00
Committee expenses		3,344,000.00
Use of Goods and Services		5,710,768.00
Other Government Units Certified Works		66,915,919.00
Other Grants and Transfers		48,117,955.00
Digital Hubs Expenses		215,026.00
Total Payments		127,827,415.00
Net Cash Flows from/ (used in) Operating Activities	30	33,714,027.00
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-

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Net increase/(decrease) in cash &		33,714,027.00
Cash equivalents		
Cash Flows from Financing Activities		
Lease payment		
Net Cash Flows from Financing Activities		33,714,027.00
Cash and cash equivalents at Period Start	19	97,992,415.00
Cash and cash equivalents at Period End	19	131,706,442.00

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	Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>Insert current FY</i>	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>Insert current FY</i>	<i>Insert current FY</i>		
Revenue							
Transfers From the NGCDF Board	170,469,857	97,992,415	58,391,895	326,854,167	259,533,857	67,320,310	79%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,857	97,992,415	58,391,895	326,854,167	259,533,857	67,320,310	79%
Expenses							
Employee costs	5,624,714	1,191,194	-	6,815,908	3,523,748	3,292,160	52%
Committee expenses	1,830,000	2,590,672	850,000	5,270,672	3,344,000	1,926,672	63%
Use of Goods and Services	6,182,875	3,099,407	6,770,314	16,052,595	5,710,768	10,341,827	36%
Other Government Units Certified Works	70,657,000	62,315,693	14,400,453	147,373,146	66,915,919	80,457,227	45%
Other Grants and Transfers	81,177,456	27,332,641	9,943,866	118,453,963	48,117,955	70,336,009	41%


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Digital Hubs Expenses	4,997,812	406,197	4,997,812	10,401,821	215,026	10,186,795	2%
	-	3,694	-	3,694		3,694	0%
Funds Pending Approval**	-	1,009,200	21,429,450	22,438,650	-	22,438,650	0%
Total Expenditure	170,469,857	97,948,698	58,391,895	326,810,450	127,827,415	198,983,035	39%
Surplus for the period	-	43,717	-	43,717	131,706,442	(131,662,725)	

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities

Description	Amount
Budget utilization difference totals	198,983,035
Less undisbursed funds receivable from the Board as at period 30, 2025	67,320,310
Cash and Cash Equivalents at the end of the 30 th June 2025	131,662,725

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 8th Dec, 2025 and signed by:


Fund Account Manager

Samuel Mawiyoo




National Sub-County Accountant

Julius Thuku Kabue




Chairman NG-CDF Committee

Peter Kinyita



National Government Constituencies Development Fund (NGCDF)
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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	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous		comparable basis	
Years'	Kshs					
Outstanding			Kshs			
Disbursements	Kshs					
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,624,714.00	1,191,193.98		6,815,908	3,523,748	3,292,160
1.2 Committee allowances	780,000.00	2,005,472.00		2,785,472	2,783,800	1,672
1.3 Use of goods and services	2,118,778.83	1,181,401.75	3,122,502	6,422,683	5,075,308	1,347,375
Sub-total	8,523,492.83	4,378,067.73	3,122,502.00	16,024,063	11,382,855.31	4,641,207
2.0 Monitoring and evaluation				-		-
2.1 Capacity building	1,800,000.00			1,800,000		1,800,000
2.2 Committee allowances	1,050,000.00	585,200.00	850,000	2,485,200	560,200	1,925,000
2.3 Use of goods and services	2,264,095.70	1,918,004.99	3,647,812	7,829,912	816,464	7,013,448
Sub-total	5,114,095.70	2,503,204.99	4,497,811.60	12,115,112	1,376,664.00	10,738,448
4.0 Emergency				-		-
emergency		3,461,950.33	4,050,000	7,511,950		7,511,950

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Muthiga Primary School		190,964.40		190,964	191,027	(63)
Kagera Primary School						
Mutunguru Primary School	2,000,000.00	299,742.00		2,299,742	-	2,299,742
Gatundu Sub-County office toilet	950,000.00			950,000	890,363	59,637
DCC Residence	2,900,000.00			2,900,000	-	2,900,000
Queen of peace Nembu Secondary School	2,200,000.00			2,200,000	-	2,200,000
				-		-
				-		-
				-		-
				-		-
Un-Utilised	922,097.72			922,098		922,098
Sub-total	8,972,097.72	3,952,656.73	4,050,000.00	16,974,754	1,081,390.40	15,893,364
5.0 Bursary and Social Security				-		-
5.1 Primary Schools				-		-
5.2 Secondary Schools	28,000,000.00	5,301,035.00		33,301,035	25,553,000	7,748,035
5.3 Tertiary Institutions	10,000,000.00	4,490,000.00		14,490,000	5,105,000	9,385,000
5.4 special needs	1,500,000.00	130,000.00		1,630,000	1,640,000	(10,000)
5.5 Education Support Programmes/Vocational programs	24,500,000.00	8,624,047.00		33,124,047	5,839,400	27,284,647
5.6 Social Security				-		-

National Government Constituencies Development Fund (NGCDF)
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				-		-
Sub-total	64,000,000.00	18,545,082.00	-	82,545,082	38,137,400.00	44,407,682
7.0 Environment				-		-
Mutunguru primary school	1,665,937.20			1,665,937		1,665,937
Muthiga Primary school	1,665,937.20			1,665,937		1,665,937
Kiamwangi Primary School-			1,665,937	1,665,937		1,665,937
Munyu ini primary			1,665,937	1,665,937		1,665,937
Sub-total	3,331,874.40	-	3,331,874.20	6,663,749	-	6,663,749
8.0 Primary Schools Projects				-		-
Kiamwangi Primary School-		40,341.70		40,342	-	40,342
Kiamwangi Primary School-		325.00		325	-	325
Kiamwangi Primary School-		286,133.70		286,134	-	286,134
Kiamwangi Primary School-		190,949.00		190,949	-	190,949
Kimaruri Primary School-		304,642.20		304,642	284,348	20,294
Mutunguru Primary School		291,411.90		291,412	285,688	5,724
Mutunguru Primary School		325.00		325	-	325
Kagera Primary School		290,621.00		290,621	285,900	4,721
Kagera Primary School		220.00		220	-	220
Ruburi Primary School		220.00		220	-	220

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Kahugu-ini Primary School		287,467.40		287,467	286,103	1,364
Kahugu-ini Primary School		325.00		325	-	325
Kiamworia Primary School		370.30		370	-	370
Kiamworia Primary School		4,500,000.00		4,500,000	4,129,777	370,223
Muthiga Primary School		1,260,058.00		1,260,058	286,092	973,966
Muthiga Primary School		640,322.40		640,322	228,824	411,498
Wamitaa Primary School		228.00		228	-	228
Wamitaa Primary School		4,500,000.00		4,500,000	4,496,379	3,621
Ikuma Primary School		228.00		228	-	228
Nembu Primary School		228.00		228	-	228
Ndundu Primary School		290,844.90		290,845	285,783	5,062
Ndundu Primary School				-	-	-
Githuya Primary School	4,500,000.00	228.00		4,500,228	-	4,500,228
Kibiru Primary School		1,582.00		1,582	-	1,582
Gatitu Primary School		4,541.00		4,541	-	4,541
Gathiru Primary School		2,057.65		2,058	-	2,058
Kiganjo Primary School		1,913.00		1,913	-	1,913
Kamutua Primary School		378.33		378	-	378
Githaruru Primary School		2,334.00		2,334	-	2,334

National Government Constituencies Development Fund (NGCDF)
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Munyuini Primary School		4,500,000.00		4,500,000	4,188,319	311,681
Kiawandiga Primary School			6,900,453	6,900,453	4,231,259	2,669,194
Karinga Primary School			4,500,000	4,500,000	4,273,059	226,941
Kirangi Primary School		4,500,000.00		4,500,000	4,498,021	1,979
Kagumoini Primary school- Ngenda Ward	4,500,000.00			4,500,000		4,500,000
Kamunyu primary school- Ngenda Ward	4,500,000.00			4,500,000		4,500,000
Karangi primary school	4,500,000.00			4,500,000		4,500,000
Gikure Primary School	4,500,000.00			4,500,000		4,500,000
Karangi Primary School	4,500,000.00			4,500,000		4,500,000
Uceke-ini Primary School	4,500,000.00			4,500,000		4,500,000
Muhoho Primary School	4,500,000.00			4,500,000		4,500,000
Gitare Primary School	4,500,000.00			4,500,000		4,500,000
Thaara Primary School	4,500,000.00			4,500,000		4,500,000
Nembu primary school	4,500,000.00			4,500,000		4,500,000
Kagio Primary School	4,500,000.00			4,500,000		4,500,000
Mbogoro Primary School Ndarugu Ward	4,500,000.00			4,500,000		4,500,000
Gitwe Primary School	4,500,000.00			4,500,000		4,500,000
Kimunyu Primary School		40.00		40		40
Wamitaa Primary School		125.00		125		125

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Gachika Primary School		2,935.00		2,935		2,935
Mutomo Primary School		730.00		730		730
Kiganjo Primary School		200.00		200		200
Karatu Primary School		40.00		40		40
Kiamworia Primary School		80.00		80		80
Gakunju Memorial Primary School		39.00		39		39
Kibiru Primary School		28,201.00		28,201		28,201
Kamunyu Primary School		10.00		10		10
Handege Primary School		13,819.00		13,819		13,819
Muthurumbi Primary School		18,013.00		18,013		18,013
Gatundu Primary School		1,580.00		1,580		1,580
Ng'enda Primary School		474,690.00		474,690		474,690
Wamwangi Primary School		46,568.00		46,568		46,568
Ituru Primary School		1,400.00		1,400		1,400
Ndumbi Primary School		2,020.00		2,020		2,020
Githuya Primary School		1,100.00		1,100		1,100
Gathage Primary School		980.00		980		980
Nembu Primary School		660.00		660		660
Ikuma Primary School		2,350.00		2,350		2,350

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Muthiga Primary School		129,941.00		129,941		129,941
Gachika Primary School		1,130.00		1,130		1,130
Icaciri Primary School		4,500,000.00		4,500,000	4,269,593	230,407
Gakunju Memorial Primary school		4,500,000.00		4,500,000	4,491,459	8,541
Gachika Primary School		4,500,000.00		4,500,000	4,131,518	368,482
Kigaa Primary School		4,500,000.00		4,500,000	4,495,359	4,641
Gathage primary School		4,500,000.00		4,500,000	4,230,852	269,148
Gachoka Primary School!		4,500,000.00		4,500,000	4,499,949	51
Gitare Primary School				-	-	-
				-	-	-
Sub-total	63,000,000.00	49,624,946.48	11,400,453.00	124,025,399.48	53,878,281.51	70,147,117.97
9.0 Secondary Schools Projects (List all the Projects)				-		-
Icaciri Secondary School (Emergency)		126,871.90		126,872	95,536	31,336
Munyu-ini Secondary School-Toilets	7,657,000.00	1,000,000.00	1,000,000	9,657,000	1,889,608	7,767,393
Handege Secondary School-Toilets		2,000,000.00		2,000,000	1,989,068	10,933
Gatitu High School		1,000,000.00	1,000,000	2,000,000	1,856,748	143,252
St. Verena Ucekeini Girls Sec Sch-Toilets		1,000,000.00	1,000,000	2,000,000	1,835,475	164,525
Kagio Secondary School-Toilets		2,000,000.00		2,000,000	1,803,212	196,788

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Githuya Secondary School-Toilets		2,000,000.00		2,000,000	1,892,595	107,405
St. Mary Girls Sec School-Kiamworia-Toilets		2,000,000.00		2,000,000	1,900,242	99,758
Ndundu Secondary School		1,270.00		1,270		1,270
Kibiru Secondary School		12,332.00		12,332		12,332
Kahugu-ini Boys Sec School		79,447.00		79,447		79,447
Muthurumbi Secondary School		214,609.00		214,609		214,609
Kiganjo Secondary School		101,302.00		101,302		101,302
Githuya Secondary School		1,659.00		1,659		1,659
Kagio Secondary School		56,713.00		56,713		56,713
Nembu Secondary School		1,728.00		1,728		1,728
Gitare Secondary School		65,700.00		65,700		65,700
Gathage Secondary School		150.00		150		150
Gathuri Secondary School		10.00		10		10
Handege Secondary School		808.00		808		808
Gatitu High School		250.00		250		250
Gachoka Secondary School		109,903.00		109,903		109,903
Kiamworia Secondary School		90.00		90		90
Kiamwangi High School		3,060.00		3,060		3,060
Muthiga High School		120,842.00		120,842		120,842

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Gikure Secondary School		215,979.00		215,979		215,979
Gathiru High School		1,330.00		1,330		1,330
Kamutua Secondary School		610.00		610		610
Ndarugu Secondary School		237,101.00		237,101		237,101
Icaciri Secondary School		660.00		660		660
St. Dominic Secondary School-Gatundu		332,795.00		332,795		332,795
Ruburi Secondary School		2,310.00		2,310		2,310
St Catherine of Siena Muthiga PMC		43,676.26		43,676		43,676
	7,657,000.00	12,731,206.16	3,000,000.00	23,388,206.16	13,262,483.00	10,125,723.16
10.0 Tertiary institutions Projects (List all the Projects)				-		-
Gatundu Technical Training Institute		847.00		847		847
Gatundu KMTC		2,120.00		2,120		2,120
Mutunguru KMTC		250.00		250		250
				-		-
Sub-total	-	3,217.00	-	3,217	-	3,217
11.0 Security Projects				-		-
Gatundu Sub-County Police HQRTS				-	-	-
Mukinyi Police Station (Phase I)			2,561,992	2,561,992	2,430,243	131,749

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Mukinyi Police Station (Phase II	3,338,713.31			3,338,713	-	3,338,713
Kiamworia Chiefs office and Assistant chiefs office		1,800,000.00		1,800,000	1,708,534	91,466
Gatundu Sub-County office toilet	-	1,050,000.00	-	1,050,000	996,323	53,677
Kirangi Police Post		1,800,000.00		1,800,000	1,709,664	90,336
Kiganjo ACC1 Office	1,534,770.78			1,534,771		1,534,771
DEO Office		188.57		189	-	189
Gatundu Police Station		460.00		460	-	460
Mutati AP post		670.00		670	-	670
Gatundu Sub-County Police HQRTS		183,583.50		183,584		183,584
				-		-
Sub-total	4,873,484.09	4,834,902.07	2,561,992.00	12,270,378.16	6,844,764.00	5,425,614.16
12.0 Acquisition of assets				-		-
12.1 Motor Vehicles (including motorbikes)		1,122.00	-	1,122		1,122
12.2 Purchase of furniture and fittings				-		-
12.2 Renovation of CDF office		2,572.00		2,572		2,572
Sub-total	-	3,694.00	-	3,694.00	-	3,694.00
13.0 Others - Digital Hubs				-		-
Kiganjo Ajira Center	2,498,906.00			2,498,906		2,498,906
Ndarugu Ajira Center	2,498,906.00			2,498,906		2,498,906

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Gatundu Ajira Center			1,885,000	1,885,000		1,885,000
Kiamwangi Ajira Center			1,885,000	1,885,000		1,885,000
Gatundu Ajira Center			150,000	150,000	141,322	8,678
Internet connection			120,000	120,000		120,000
internet connections			120,000	120,000		120,000
General Office Supplies (Papers, Pencils, Forms, Small Office Equipment etc.)		85,530.00	177,812	263,342	73,704	189,638
Electricity			100,000	100,000		100,000
Publishing of printing services			250,000	250,000		250,000
Advertising awareness and Publicity Campaigns			310,000	310,000		310,000
ACC Ngenda -Renovation of Ajira Center		1,550.00		1,550		1,550
ACC Kiamwangi -Renovation of Ajira Center		4,315.00		4,315		4,315
Strategic Plan		6,000.00		6,000		6,000
others-Renovation				-	162,564	(162,564)
SPORTS			-	-		-
sports		308,802.07		308,802		308,802
Sub-total	4,997,812.00	406,197.07	4,997,812.00	10,401,821.07	377,590.10	10,024,230.97
Funds pending approval**				-		-

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unapproved projects		-	19,979,450	19,979,450		19,979,450
AiA	-	1,009,199.88		1,009,200		1,009,200
unapproved fund			1,450,000	1,450,000		1,450,000
Sub-total	-	1,009,199.88	21,429,450.20	22,438,650	-	22,438,650
Total	170,469,856.74	97,992,374.11	58,391,895.00	326,854,125.85	126,341,428.32	200,512,697.53

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 Gatundu South Constituency principal activity is

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 Gatundu South 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 Gatundu South 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.

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

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

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

3. Adoption of New and Revised Standards

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.

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>Not applicable</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>Not applicable</i></p>

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<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an</p>

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	<p>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>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not applicable</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not applicable</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. <p>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> <p><i>Not applicable</i></p>

ii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

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

j) Contingent liabilities

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

k) Contingent assets

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

economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

National Government Constituencies Development Fund (NGCDF)
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6. Transfers from the NGCDF Board

Description	<i>FY 30th June 2025</i>
	Kshs
NGCDFB Transfers (Allocation for the FY)	170,469,857
Total	170,469,857

7. Transfers from domestic and foreign partners

Description	<i>FY 30th June 2025</i>
	Kshs
Grants	-
Total	-

8. Finance income

Description	<i>FY 30th June 2025</i>
	Kshs
Interest Income on Bank Deposits	-
Total	-

9. Miscellaneous income

	<i>FY 30th June 2025</i>
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	-

10. Employees cost

	<i>FY 30^h June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,672,903
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	814,060
Employer Contributions Compulsory national social security schemes	153,940
Employer Contributions Compulsory Housing levy	38,635
Employer contributions to National Industrial Training Authority	3,550
Other Specify	-
Total	3,683,088

11. Committee Expenses

	<i>FY 30^h June 2025</i>
	Kshs
Sitting allowance	1,611,000
Other Committee expenses	1,733,000
Total	3,344,000

National Government Constituencies Development Fund (NGCDF)
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12. Use of Goods and services

	<i>FY 30th June 2025</i>
	Kshs
Utilities, supplies and services	79,300
Communication, supplies and services	42,000
Domestic travel and subsistence	815,044
Printing, advertising and information supplies & services	2,214,680
Office Rent	-
Training expenses	-
Hospitality supplies and services	355,752
Insurance costs	310,538
Specialized materials and services	200,576
Office and general supplies and services	694,224
Fuel, oil & lubricants	844,143
Bank charges	59,911
Routine maintenance – vehicles and other transport equipment	45,434
Routine maintenance – other assets	73,924
Strategic plan expenses	-
Other operating expenses	-
Total	5,735,525

13. Other Government Units Actual expenditure

Description	<i>FY 30th June 2025</i>
	Kshs
Primary Schools Actual expenditure	53,553,831
Secondary Schools Actual expenditure	13,165,045
Tertiary Institutions Actual expenditure	-
Total	66,718,876

14. Other Grants and transfers Actual expenditure

	<i>FY 30th June 2025</i>
	Kshs
Bursary – secondary schools	25,553,000
Bursary – tertiary institutions	5,105,000
Bursary – special schools	1,640,000
Bursary - Education Support programmes	5,839,400
Social Security programmes (SHIF)	-
Security projects Actual expenditure	7,152,374
Climate change mitigation projects	-
Emergency projects Actual expenditure	2,782,774
Roads projects Actual expenditure	-
Others specify (Retention)	162,564
Total	48,235,112

15. Depreciation and Amortization Expenses

Description	<i>FY 30th June 2025</i>
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

Description	<i>FY 30th June 2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	222,464
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	222,464

National Government Constituencies Development Fund (NGCDF)
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17. Gain/loss on Sale of Assets

Description	<i>FY 30th June 2025</i>
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

18. Impairment Loss

Description	<i>FY 30th June 2025</i>
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	<i>FY 30th June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Family Bank (A/C NO. -004000041147)</i>	99,545,853.00	78,883,214.00
<i>Equity Bank (A/C NO. -0660261950170)</i>	8,925,787.00	6,633,981.00
<i>Family Bank (A/C No. -004000044798)</i>	352,718.00	-
<i>PMC Bank Balances (As Per the attached List)</i>	22,882,044	12,475,218.85
Total		
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations	-	-
Total	131,379,595	97,992,413.85

20. Receivables from Exchange Transactions

Description	FY 30 th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

i. Ageing Analysis for Receivables

Description	FY 30 th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	-	-	-	-

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21. Receivables from Non-Exchange Transactions

Description	FY 30 th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	67,320,310		58,391,895.00	
Outstanding imprest	-		-	
Total	67,320,310		58,391,895	
Ageing Analysis- Receivables from non-exchange transactions	FY 30 th June 2025	% of the total	Opening Balance	% of the total
Less than 1 year	67,320,310	100%	58,391,895	100%
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	67,320,310		58,391,895	-

22. Prepayments

Description	FY 30 th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	236,453.59		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	236,454..59		-	

National Government Constituencies Development Fund (NGCDF)
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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	1,706,248.00	9,085,000.00	254,040.00	491,880.00	-	-	11,537,168.00
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-	-	-
Opening Depreciation	-	34,124.96	2,271,250	31,755	147,564	-	-	2,484,693.96
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-	-	-
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-
As At 30th June 2025	-	1,672,123.04	6,813,750.00	222,285	344,316	-	-	9,052,474.04

*National Government Constituencies Development Fund (NGCDF)
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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

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	1,706,248.00	34,124.96	1,672,123.04
Plant And Machinery			
Motor Vehicles, Including Motorcycles	9,085,000.00	2,271,250	6,813,750.00
Computers And Related Equipment	491,880.00	147,564	344,316
Office Equipment, Furniture, And Fittings	254,040.00	31,755	222,285
Total	11,537,168.00	2,484,693.96	9,052,474.04

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	-	-

24. Intangible Assets

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

25. Right-of use assets

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

National Government Constituencies Development Fund (NGCDF)
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As At 30 June 2024. (Comparative Period)	-	-	-	-
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26. Trade and Other Payables

Description	FY 30 th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	-	-	-	-
Employee payables	-	-	-	-
Other payables	-	-	-	-
Total trade and other payables	-	-	-	-
	-	-	-	-
Aging analysis: (Trade and other payables)	-	-	-	-
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-	-	-	-

National Government Constituencies Development Fund (NGCDF)
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27. Third-Party deposits

	<i>Period ended 30Th June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	3,454,843.25	-
Retention held during the period (B)	3,676,355.50	3,454,843.25
Retention paid during the period (C)	3,756,241.05	-
Closing Retention as at period 30TH June 2025 D= A+B-C	3,374,957.70	3,454,843.25

28. Retentions aging analysis.

	FY 2024-2025	% of the total	FY 2023/2024	% of the total
Less than 1 year			-	%
1-2 years	2,666,216.58	79.00%	-	%
2-3 years	708,741.12	21.00%	708,741.27	21%
Over 3 years		-	-	%
Total	3,374,957.70	100%	708,741.27	21%

29. Lease Liabilities

Description	<i>FY 30th June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

30. Gratuity Provision

Description	Period ended 30 ^h June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	748,960	-
Gratuity held during the period (B)	814,060	748,960.00
Gratuity paid during the period (C)	654,720	-
Total Gratuity provision as at period 2025 D=(A+B-C)	908,300.00	748,960.00

31. Cash Generated from Operations

	<i>FY 30th June 2025</i>
	Kshs
Surplus/Deficit for the year	-
Adjusted for:	-
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
	-
Working capital adjustments	-
Increase/decrease in receivables	-
	-
Increase/decrease in payables	-
	-
Net cash flow from operating activities	-

32. Financial Risk Management

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

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	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
As at 30 June (Previous FY)	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has 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. 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 proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	-	-
Total	-	-	-	-
As at 30th June (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Total	-	-	-	-

iii) Market risk

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

a) Foreign currency risk

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

*National Government Constituencies Development Fund (NGCDF)
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Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (30th June 2025: Kshs). A rate

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increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (30th June 2025 – Kshs)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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

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

iv) Capital Risk Management

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

Description	<i>FY 30th June</i> <i>2025</i>	<i>Opening</i> <i>Statement 1st July</i> <i>2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

33. Related Party Disclosures

	<i>FY 30^h June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	-	-
	-	-
Transaction with the NGCDF Board	-	-
Transfers from the NGCDF Board during the year	-	-
Total	-	-

34. Segment Information

The were no segment information in Gatundu South Constituency

35. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	<i>FY 30^h 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	-	-

Contingent Liabilities

Description	<i>FY 30^h June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others	-	-
Total	-	-

36. Capital Commitments

Capital Commitments	<i>FY 30^h June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Authorized for	-	-
Authorized and contracted for	-	-
Total	-	-

37. Events after the Reporting Period

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

38. Ultimate And Holding Entity

The Gatundu South 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.

39. Currency

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

18. Annexes
Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	1,706,248.00	-	-	1,706,248.00
Purchase of vehicle and Transport equipment	9,085,000.00	-	-	9,085,000.00
Office equipment, furniture, and fittings	491,880.00	-	-	491,880.00
ICT Equipment and Other ICT Assets	254,040.00	-	-	254,040.00
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	11,537,168.00	-	-	11,537,168.00

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

PMC	Bank	Account number	Bank Balance	Opening Statement 1 st July 2024
			30 th June 2025	
Gatundu Sub-County Police HQRTS	Family	4000041306	183,593.50	183583.5
Kiamwangi Primary School-Environment & Renovation	Family	4000041492	2,183,686.60	517749.4
Kimururi Primary School-Renovation	Family	4000041672	20,294.20	304642.2
Mutunguru Primary School-Environment & Renovation	Family	4000041667	2,006,048.90	291736.9
Kagera Primary School -Environment & Renovation	Family	4000041976	113,105.25	290841
Ruburi Primary School-Environment	Family	4000042008	220.00	220
Kahugu-ini Primary School-Environment & Renovation	Family	4000041715	1,688.00	287792.4
Kiamworia Primary School-Environment	Family	4000042012	372,908.30	370.3
Icaciri Secondary School-Toilets(emergency)	Family	4000041666	31,335.90	126871.9
Muthiga Primary School-Renovation	Family	4000041840	125,343.30	831286.8
Wamitaa Primary School-Environment	Family	4000042267	3,849.00	228
Ikuma Primary School-Environment	Family	4000042209	228.00	228
Nembu Primary School-Environment	Family	4000042250	228.00	228
Ndundu Primary School-Environment & Renovation	Family	4000042022	5,062.00	290844.9
Githuya Primary School-Environment	Family	4000042223	228.00	228
Kibiru Primary School-Renovation	Family	4000042243	1,582.00	1582
Gatitu Primary School-Renovation	Family	4000042234	4,541.00	4581
Gathiru Primary School-Renovation	Family	4000042236	2,057.65	2057.65
Munyu-ini Secondary School-Toilets	Family	4000042245	110,392.50	1000000

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Handege Secondary School-Toilets	Family	4000042237	110,392.00	1000000
Githaruru Primary School-Renovation	Family	4000042249	2,334.00	2334
Kiganjo Primary School-Renovation	Family	4000042247		1913
Kamutua Primary School-Environment	Family	4000042276	378.33	378.33
Gatitu High School-Toilets	Family	4000042238	143,252.00	1000000
St. Verena Ucekeini Girls Sec Sch-Toilets	Family	4000042244	164,525.00	1000000
Kagio Secondary School-Toilets	Family	4000042239	196,788.00	1000000
St Catherine of SienaMuthiga	Family	4000044258	166,377.00	
Githuya Secondary School-Toilets	Family	4000042248	107,405.00	1000000
St. Mary Girls Sec School-Kiamworia-Toilets	Family	4000042266	99,758.00	1000000
Munyu-ini Primary School	Family	4000042921	1,977,618.20	
Mukinyi Police Station	Family	4000042857	3,470,462.30	
Kiamworia & Gitare Assistant Chief Office	Family	4000042838	91,466.00	
Gatundu South Subcounty Office Toilet	Family	4000045847	113,314.00	
Kirangi Police Post	Family	4000042860	90,336.00	
Kirangi Primary School	Family	4000044475	4,293.50	
Kiawandiga Primary School	Family	4000044443	268,741.00	
Karinga Primary School	Family	4000044458	226,941.00	
Icaciri Primary School	Family	4000044448	230,407.00	
Gakunju Memorial Primary School	Family	4000044540	8,541.00	
Gachika Primary School	Family	4000044663	368,482.00	
Kigaa Primary School	Family	4000044459	4,641.00	
Gathage Primary School	Family	4000044440	269,148.00	
Gachoka Primary School	Family	4000044467	51.00	
Gitare Primary School	Family	4000048386	4,500,000.00	
DCC Residence	Family	4000048450	2,900,000.00	
Queen Of Peace Nembu Secondary School	Family	4000048427	2,200,000.00	
TOTAL			22,882,043	10,139,697

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:	Timeframe
1	Inaccurate Cash and Cash Equivalents	The statement of assets reflects and liabilities cash and cash equivalents balance of Kshs.85, 390,256 as disclosed in Note 11 to the financial statements. Review of the bank statements revealed stale cheques amounting to 229,900 which had not been reversed	Resolved	30 days
2	Unsupported Purchase of motor vehicle	The statement of receipts and payments reflects an amount of Kshs.11,537,168 relating to acquisition of assets. Included in this amount is Kshs.9,085,000 relating to purchase of vehicles and other transport equipment as disclosed in Note 9 to the financial statements. During the year under review, the Fund Management purchased a motor vehicle - ISUZU, D-MAX TFS 86 double cab deluxe 4x4 at an amount of Kshs.9, 085,000. However, the logbook was not provided for audit while the vehicle was not available for physical verification. In the circumstances, the accuracy, completeness and existence of the acquisition of the assets amount of Ksh 9,085,000 could not be confirmed	Not resolved	30 days
3	Unsupported Project Management committee Bank Balances	Note 19.4 to the financial statements reflects Project Management Committee (PMC) account balances of Kshs.10,139,697 as disclosed in Annex 5. However, it was noted that the cashbook and the reconciliation of the PMC balance reported in the financial statements was not provided for Audit. The bank confirmation certificates were also not provided for audit. In the	Resolved	30 Days

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		circumstances, the accuracy and completeness of PMC account balances of Ksh 10,139,697 could not be confirmed		
4	Failure to report on Emergency Utilisation	The statement of receipts and payments and Note 8 to the financial statements reflects other grants and transfers totaling Kshs.64, 063,901 which includes emergency expenditure amounting to Kshs.8, 520,640. However, Management did not report the emergency expenditure to the Board using the prescribed format contrary to Regulation 20(2) of the NGCDF Regulation, 2016.	Resolved	30 days
5	Non-Compliance with Set Criteria in Awarding of Bursaries	The statement of receipts and payments and Note 8 to the financial statements reflects other grants and transfers totaling Kshs.64,063,901 which includes bursary expenditure amounting to Kshs.50,317,900 which relates to bursaries to secondary schools of Kshs18,000,000, tertiary institutions of Kshs.9,270,000, special schools of Kshs.1,650,000 and vocational programs of Kshs.21,397,900. However, management did not provide evidence of fully constituting the Sub-committee of education bursary mock examinations and continuous assessment tests committee whose core mandate is vetting of applicants for effective and efficient administration of education bursary schemes contrary to guidelines of the circular. In addition there was inconsistency in the bursaries amounts awarded to the beneficiaries. The committee minutes supporting the approval for award of Kshs.5,000 and Kshs.10,000 to secondary and tertiary institutions respectively was not provided for audit verification.	Not Resolved	30 days
	Poor implementation of Hass Avocado Seedlings	Review of the documents revealed that the fund disbursed a total of Kshs.2,764,301 for supply, delivery and maintenance of Hass Avocado seedlings to	Not resolved	30 days

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	<p>Projects to Primary school</p>	<p>selected primary schools. The procurement was through request for quotations at a sum of Ksh 230,000 for Ikuma Primary School, Sum of Kshs.230,000 for Nembu Primary School, Sum of Kshs.230,000 for Wamitaa Primary School Kahugu-ini Primary School. However, the contract agreements did not specify the start and completion date for the maintenance of Hass Avocado Seedlings, delivery notes were not provided for audit.</p> <p>Further, opening and evaluation minutes were not signed page by page by all committee members and inspection and acceptance committee report was also not provided for review. The physical verification carried out showed that some seedlings had dried up and some stolen.</p> <p>In the circumstances, the value for money on the expenditure incurred in the procurement of the avocado seedlings could not be confirmed</p>		
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Samuel Mawiyoo
Fund Account Manager.