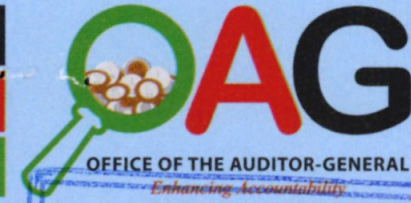


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

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REPORT

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ON

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

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



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KANGEMA 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)
Kangema Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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1. Acronyms and Definition of Key Terms

Acronyms

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

Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- 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

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Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Kangema 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	Caroline Kiama
2.	National Sub-County Accountant	Joyce Wambui
3.	Chairman NGCDFC	Grace Wambui Nduati
4.	Member NGCDFC	Samuel Muchunu
5.	Member NG CDFC	Alex Githac

(c) Fiduciary Oversight Arrangements

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

P.O. Box 22-10202, Kangema
Kangema Sub County Head Quarters
Kangema, Kenya.

(e) NGCDF Kangema Constituency Contacts

Telephone: (254) 0718455797, 0735698857
E-mail: cdfkangema@ngcdf.go.ke
Website: www.kangema.ngcdf.go.ke

(f) NGCDF Kangema Constituency Bankers

1. Equity Bank
Kangema Branch
P.O. Box Private Bag – 10202
Kangema, Kenya
2. KCB Bank B. (Deposit account).
Kangema Branch
P.O. Box 66- 10202
Kangema

(g) Independent Auditor






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

(h) Principal Legal Adviser






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

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NGCDF Committee

Name	Details
 <p>Chairman (Adult Female Representative)</p>	<p>Grace Wambui Nduati, born in 1964, is a trained teacher. She completed her Certificate of Primary Education (C.P.E.) in 1980 and her O-Level studies in 1986. She has served as a P.T.A. teacher at Gacharaigu Primary School and Ihiga Primary School. She is an experienced leader in various groups in Kangema Constituency.</p>
 <p>Secretary (Youth Male Representative)</p>	<p>Alex Githea Waitthaka, born in 1991 in Kangema, Murang'a, is the Secretary to Kangema NGCDF Committee. He completed his primary education in 2004 and attained his KCSE in 2008. He holds a Diploma in Technology (Analytical Chemistry) and has worked with Cosmos Limited and Norbrook Kenya Ltd. He possesses considerable leadership experience through active involvement in various youth and community-based groups.</p>
 <p>Male adult Representative</p>	<p>Nathaniel Gitogo Mbutia, born in 1979, completed his KCPE in 1995 and his KCSE in 1999. He is an entrepreneur with extensive experience in leadership, having served in various positions within Ichichi Location in Kangema Constituency.</p>
 <p>Male Adult Representative</p>	<p>Peter Thuku Kamau, born in 1978, completed his KCPE in 1992 and his KCSE in 1996. He holds a Certificate in Automotive Engineering and is an entrepreneur with vast leadership experience in Rwathia Ward</p>
 <p>Female Adult Representative</p>	<p>Jane Wanjiku Macharia, born in 1975, completed her KCPE in 1990 and her KCSE in 1994. She obtained a Certificate in Financial Management in 2011 and is a businesswoman with notable leadership roles in various women's groups within Muguru Ward, Kangema Constituency</p>

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 <p>Female Youth Representative</p>	<p>Ruth Kavaati Kilatya, born in 1993, completed her KCPE in 2010 and her KCSE in 2014. She is an entrepreneur with extensive experience in youth leadership within Kenya Njeru, Rwathia Ward</p>
 <p>Nominee representing PLWD</p>	<p>Florence Nyambura Wangechi, born in 1978, completed her KCPE in 1997 and her KCSE in 2001. She holds a Diploma in Social Work and Community Development and serves as a leader in several groups representing persons living with disabilities in Kangema Constituency</p>
 <p>Co-opted Member</p>	<p>Samuel Muchunu Muraguri, born in 1956, obtained his East Africa Certificate of Education in 1976 and holds a Certificate in Corporate Governance. He is a businessman with extensive leadership experience, having served as Chair of Kangema NGCDF for five years (2017–2022) and as Director of Rwathia KTDA Factory for 12 years. He is also the Chairman of Nyagatugu ACK Church and a prominent leader in Kangema Constituency.</p>
 <p>Deputy County Commissioner</p>	<p>Esther D. Mwamure , Deputy County Commissioner, 7th January 1976, MBA (Strategic Management), BA(English, Literature & Business Studies), SLDP, SMC & Diploma in Public Administration. Public Administration for last 22 years</p>
 <p>Fund Account Manager</p>	<p>Caroline Wangari Kiama, born in 1975, is a Kenyan professional with a Bachelor of Science (Hons) degree from Egerton University. She has extensive expertise in strategic management, sales, marketing, customer service, and client relationship management. Her career includes serving as Funds Account Manager at the National Government Constituencies Development Fund Board, Research Assistant Consultant at KIPPRA, Business Development Specialist at d Barclays Bank (Now Absa Bank)</p>

3. NG-CDFC Chairman's Report



It is with great pleasure that I present to you the financial statements for the Kangema National Government Constituency Development Fund (NG-CDF) for the current financial year. This report marks a significant milestone in our continued efforts to enhance transparency, accountability, and development within our constituency.

Throughout the year, our primary focus has been on prudent financial management and strategic allocation of resources to ensure the optimal utilization of public funds. We have navigated through a challenging economic landscape, characterized by global uncertainties and local economic fluctuations. Despite these challenges, we have remained steadfast in our commitment to delivering impactful projects that improve the lives of our constituents.

In this report, you will find a comprehensive overview of our financial performance, including budget allocations, expenditures, and key achievements. We have also highlighted the emerging issues and challenges encountered during the year, along with our proposed strategies to address them. Our goal is to provide a clear and transparent account of how the funds have been utilized, the outcomes achieved, and the way forward.

Summary of Budget Performance Against Actual Amounts

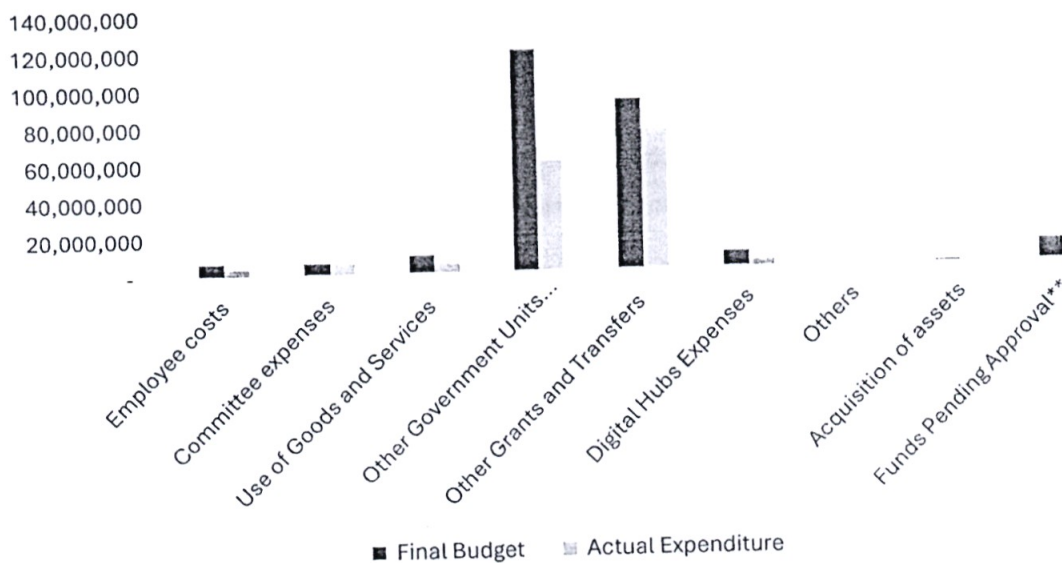
During the 2024/2025 financial year, the Constituency's final budget amounted to Kshs 255,987,042, against which actual expenditure totaled Kshs 150,177,018, representing 59% budget utilization.

On the revenue side, total receipts were Kshs 162,535,062, primarily from NG-CDF Board transfers (Kshs 162,379,062) and miscellaneous income (Kshs 156,000). This resulted in a funding shortfall of Kshs 93,607,980 compared to the final budget.

Key observations include:

- High utilization in committee expenses (92%) and other grants/transfers (82%).
- Moderate utilization in employee costs (55%) and certified works (47%).
- Low utilization in digital hubs (40%) and use of goods/services (48%).
- Funds pending approval totalled Kshs 11,222,516, contributing to the year-end surplus.

Budget vs Actual expenditure by sector (2024/2025)



Actual Expenditure Distribution by sector



Emerging Issues

During the reporting period, the committee observed the following emerging issues:

- Increased demand for projects and services beyond the current budget allocations, especially in education, infrastructure, and health.
- Rising costs of materials and services due to inflation, which impacts project budgets and timelines.
- Greater community expectations for faster delivery of projects and more equitable distribution of resources across wards.

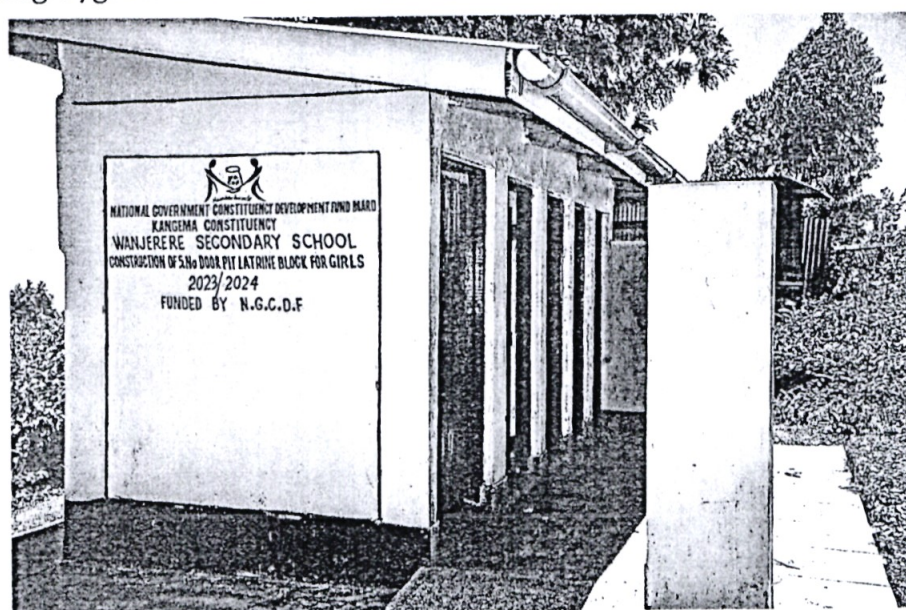
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- Need for stronger monitoring and evaluation frameworks to ensure accountability and value for money.
- Integration of digital systems for project tracking and stakeholder engagement, requiring capacity building for members and staff.

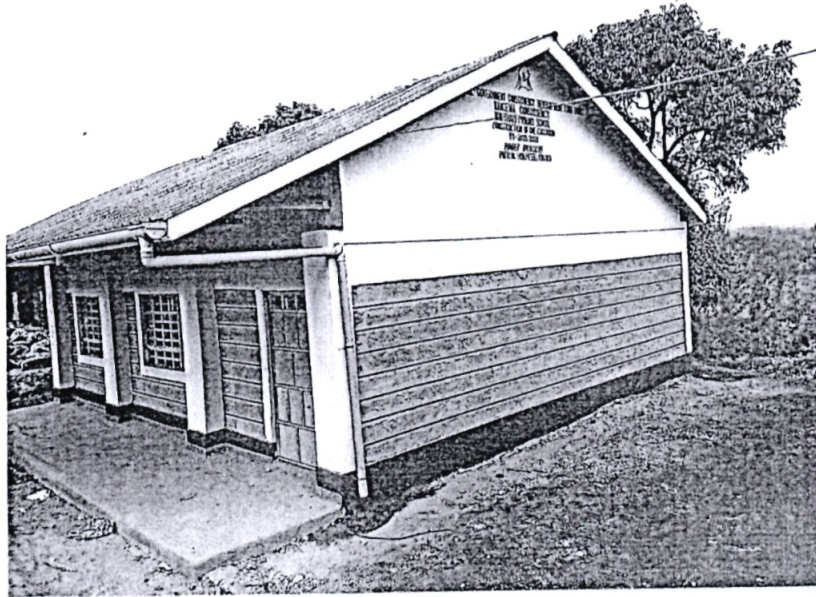
Achievements

During the year under review, the Kangema NG-CDFC successfully implemented a range of impactful projects aimed at improving education, infrastructure, and environmental sustainability:

- Furniture Supply – Delivered 336 lockers and desks to Rwathia Primary School and Gacharaigu Primary School to enhance the learning environment.
- Sanitation Improvement – Constructed 10 blocks of aqua toilets in 10 primary schools, improving hygiene and sanitation standards.



- Classroom Renovation – Renovated 23 classrooms across various schools, providing a more conducive learning atmosphere.
- Junior Secondary School Facilities – Constructed 10 new classrooms for Junior Secondary Schools to accommodate the CBC transition.



JSS Classroom at Njii Ithatu Primary School

- School Security – Built a perimeter wall at Karuri Gakure Secondary School to enhance safety and protect school property.
- Science Infrastructure – Renovated the science laboratory at Wanjerere Secondary School, boosting the quality of practical science education.
- Climate Change Mitigation – Planted over 2,000 apple seedlings in 10 institutions to promote environmental conservation and support sustainable livelihoods.
- Security Sector – Supplied desktop computers with accessories, executive office desks and chairs, and cabinet drawers to all Chiefs and the Assistant County Commissioner, enhancing office operations and service delivery.



Implementation Challenges and Recommended Way Forward

- Delay in disbursement of funds from the National Treasury which slowed project commencement and completion. The committee is engaging with the NG-CDF Board for timely fund release and prioritizing projects based on readiness for immediate implementation.
- Rising cost of construction materials which leads to budget overruns and project scope reduction. Regular review of project budgets, adoption of cost-saving designs, and sourcing materials from local suppliers to reduce costs.
- Inadequate skilled manpower in remote project sites which delays in project execution and reduced quality. Partnering with local Michuki National Technical institution to train artisans and encouraging use of certified local contractors.

Conclusion

Despite the challenges, the Kangema NG-CDFC remains committed to delivering development that transforms lives. We continue to focus on prudent resource management, stakeholder engagement, and innovation in project implementation. With sustained community support and collaboration with all stakeholders, we are confident that we will overcome current challenges and achieve even greater milestones in the coming year.



.....
Grace Wambui Nduati
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the NGCDF Kangema Constituency 2022-2026 plan are to:

1. To strengthen public service systems, processes, procedures, and practices
2. Expand School infrastructure
3. To enhance security in the Constituency
4. Enhancing Youth's Opportunities for Employment
5. Supporting the Development of Youth Talent
6. Advancing Environmental Protection and Conservation
7. Driving innovation, enhancing connectivity, and fostering technological advancements
8. Bridging the Digital Divide

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary's beneficiaries at all levels	In 2024-2025 financial year - we to increase number of classrooms by construction of 10 JSS Classrooms in various schools/institutions Beneficiaries at all levels were awarded bursary
Security	To enhancing office operations	Improved service delivery	Number of offices equipped	We have equipped all chiefs and Assistant County

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	and service delivery			Commissioners offices with desktop and furniture
Environment	To promote environmental conservation and support sustainable livelihoods.	Enhanced environmental conservation	Number of trees planted in institutions	<ul style="list-style-type: none"> We have planted over 2000 fruit tree in various institutions
Emergency	Mitigate emergency occurrences	Mitigated fire incidences and land slides	Number of Constructed Ablution blocks	We have constructed three ablution block which sunk during rainy season.

5. Governance Statement

Introduction

The governance framework of the Kangema National Government Constituencies Development Fund Committee (NG-CDFC) is guided by the principles enshrined in the National Government Constituencies Development Fund Act (NG-CDF Act). This Governance Statement outlines the processes and practices related to the appointment, roles, and responsibilities of committee members, as well as the operational policies that ensure accountability, transparency, and effective management of the NG-CDF resources within the Kangema constituency.

a) Appointment of NGCDFC Members

Kangema NG-CDF Committee comprises of ten members, five recruited by a Selection Panel constituted in accordance with section 5 (1) of the NG-CDF Act Regulations 2016, two nominated by the Constituency Office in accordance with section 43 (2) (e) of the NG-CDF Act 2015, one member co-opted by the NG-CDF Board in accordance with Regulations made by the Board as provided for in section 43 (2) (g) of the NG-CDF Act 2015, the national government official responsible for coordination of national government functions as provided for in section 43 (2) (a) of the NG-CDF Act 2015 and the officer of the Board seconded to the Constituency Committee by the Board who is an ex officio member without a vote as provided for in section 43 (2) (f) of the NG-CDF Act 2015.

NO	NAME OF APPLICANT	CATEGORY
1	Alex Gatheka Waithaka	Male Youth Representative
2	Ruth Kavaati Kilatya	Female Youth Representative
3	Peter Thuku Kimani	Male Adult Representative
4	Samuel Muchunu Muraguri	Co-opted Member
5	Grace Wambui Nduati	Female Adult Representative
6	Florence Nyambura	Representative of Persons Living with Disability
7	Nathaniel Gitogo Mbuthia	Male Adult Representative
8	Jane Wanjiku Macharia	Female Adult Representative

b) Duties and Responsibilities of NGCDF Committee

The duties and responsibilities of the NG-CDF Committee entail: -

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- i) To consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency.
- ii) To ensure that project proposals submitted to the NGCDF Board include detailed budget proposals, procurement plans and work plans.
- iii) To rank projects proposals in order of priority while ensuring that on-going projects take precedence.
- iv) To ensure that all projects receive adequate funding and are completed within three years.
- v) To consult with relevant government departments to ensure that cost estimates for projects are realistic.
- vi) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies.
- vii) To build the capacity of project management committees and sensitize the community on the operations of National Government Constituency Development Fund.
- viii) To ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board.
- ix) To monitor implementation of projects in accordance with the monitoring and evaluation framework prescribed by the NGCDF Board.
- x) To ensure that project reports are prepared and submitted to the NGCDF Board.
- xi) To ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.
- xii) To receive returns from project management committees.
- xiii) To ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund.
- xiv) To ensure financial statements are submitted to the NGCDF Board within sixty days of the end of the financial year.

- xv) To collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account.
- xvi) To recommend to the NGCDF Board the removal of a committee member in accordance with the NGCDF Act.
- xvii) To enter into performance contracting with the NGCDF Board on an annual basis.
- xviii) To maintain a database of project management committees and reports from the respective committees.
- xix) To record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office.
- xx) Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level.
- xxi) Ensure that the NGCDF committee does not enter into commitments for which funding has not been allocated.
- xxii) Ensure projects are labeled in accordance with the guidelines issued by the NGCDF Board;
- xxiii) Perform any other function assigned by the NGCDF Board.

c) NGCDF Committee Induction

To be able to perform the duties and responsibilities referred here in above, the NGCDF committee was taken through a five days induction workshop during which they were trained on: -

- i) Overview of NG-CDF
- ii) Strategic planning
- iii) Project cycle management in NG-CDF operations
- iv) Technical aspects of project planning and management
- v) Monitoring and Evaluation of NG-CDF projects
- vi) Overview of public procurement procedures and processes

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- vii) Management of NG-CDFCs projects and statutory obligations
- viii) Book keeping, accounting and financial reporting in NG-CDF operations
- ix) Conduct of meetings and minute writing
- x) Management of NG-CDF staff
- xi) Complaints handling mechanism
- xii) Overview of Public officers Ethics Act
- xiii) Risk Management
- xiv) Brand Management
- xv) Introduction to Quality Management System (ISO 9001:2015 requirements)
- xvi) Performance Contracting in NG-CDF

d) NGCDF Committee Term of Office and Meetings

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

The NG-CDF Committee may meet at least six times in a year but the committee shall not hold more than twenty-four times. Below is a schedule of meeting.

NO	DATE	MEMBERS NAME	DESIGNATION
1	10/08/2024	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		KENNEDY KAMAU	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
2	14/08/2024	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		KENNEDY KAMAU	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER

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		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
3	27/08/2024	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		KENNEDY KAMAU	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
4	11/09/2024	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		CAROLINE W. KIAMA	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
5	17/10/2024	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		CAROLINE W. KIAMA	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
6	10/12/2024	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		CAROLINE W. KIAMA	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
7	16/01/2025	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		CAROLINE W. KIAMA	FUND ACCOUNT MANAGER

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

		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
8	20/02/2025	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		CAROLINE W. KIAMA	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
9	13/03/2025	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		CAROLINE W. KIAMA	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
10	03/04/2025	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		CAROLINE W. KIAMA	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
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		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA
11	04/04/2025	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		CAROLINE W. KIAMA	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER

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

		ESTHER MWAMURE	DCC KANGEMA
12	15/05/2025	GRACE WAMBUI NDUATI	NGCDFC CHAIRPERSON
		ALEX GITHEA WAITHAKA	NGCDFC SECRETARY
		CAROLINE W. KIAMA	FUND ACCOUNT MANAGER
		SAMUEL MUCHUNU MURAGURI	NGCDFC MEMBER
		NATHANIEL GITOGO MBUTHIA	NGCDFC MEMBER
		RUTH KAVAATI KILATYA	NGCDFC MEMBER
		FLORENCE NYAMBURA WANGECHI	NGCDFC MEMBER
		PETER THUKU KAMAU	NGCDFC MEMBER
		JANE WANJIKU MACHARIA	NGCDFC MEMBER
		ESTHER MWAMURE	DCC KANGEMA

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

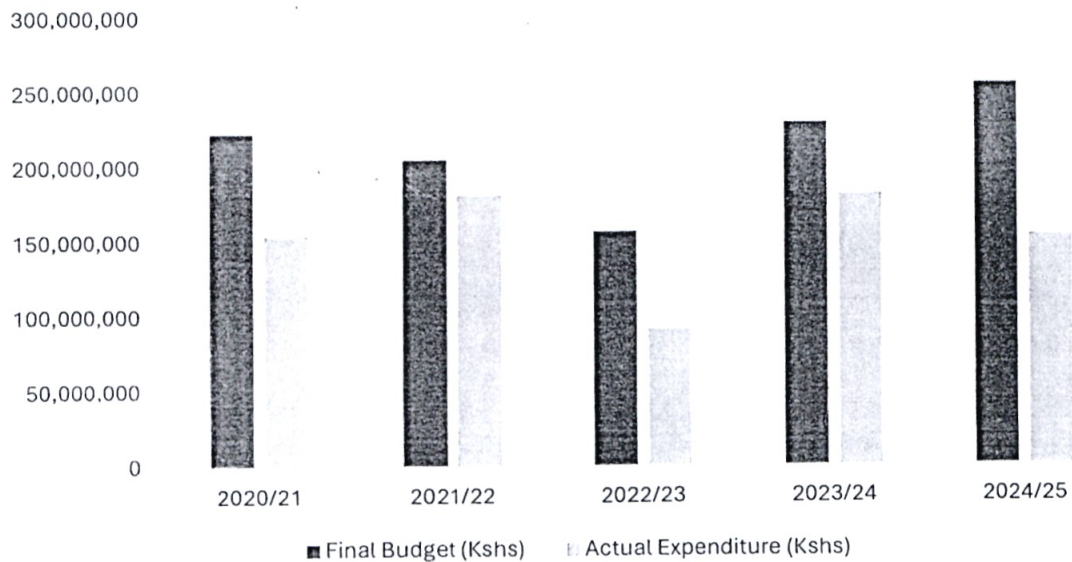
6. Management Discussion and Analysis

Introduction

The Kangema National Government Constituencies Development Fund (NG-CDF) continues to play a central role in the socio-economic development of the constituency. Over the past five years, the Fund has directed resources towards improving education, infrastructure, security, ICT access, and environmental sustainability. This report provides an overview of our operational and financial performance, key projects, compliance status, challenges, and our future outlook.

Financial Year	Final Budget (Kshs)	Actual Expenditure (Kshs)	Utilization (%)
2020/21	223,072,724	154,664,837	69%
2021/22	205,476,013	181,153,831	88%
2022/23	157,468,796	91,869,538	58%
2023/24	230,031,933	181,617,724	79%
2024/25	255,987,043	150,177,018	59%

Five year-budget Vs Expenditure



Key Projects Implemented (2024/25)

Education Sector

- Supplied **336 lockers and desks** to Rwathia and Gacharaigu Primary Schools.
- Constructed **10 blocks of aqua toilets** in 10 primary schools.
- Renovated **23 classrooms** and constructed **10 Junior Secondary classrooms**.
- Built a **perimeter wall** at Karuri Gakure Secondary School.
- Renovated the **science laboratory** at Wanjerere Secondary School.

Security Sector

- Supplied **desktop computers with accessories**, executive office desks, chairs, and cabinet drawers to all Chiefs and the Assistant County Commissioner.

Climate Mitigation

- Planted **over 2,000 apple seedlings** in 10 institutions.

ICT & Digital Hubs

- Established and equipped new digital hubs to enhance ICT literacy and innovation among the youth.

Risk	Impact	Mitigation Strategy
Delays in disbursement from the Treasury	Project delays, under-utilization of funds	Early project planning, prioritizing ready-to-implement projects
Rising cost of materials	Budget overruns, reduced project scope	Local sourcing, value engineering, phased implementation
Community disputes on project sites	Stalled projects	Enhanced stakeholder engagement, inclusive decision-making
Limited monitoring capacity	Reduced quality oversight	Formation of monitoring sub-committees, use of digital reporting tools

- In 2024/25, the Kenyan economy experienced moderate growth driven by agriculture, services, and infrastructure investments. Inflationary pressures and exchange rate fluctuations, however, impacted construction costs and procurement timelines for our projects

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


- The NG-CDF sector has continued to prioritize education, security, and infrastructure development. Nationwide, funds are increasingly integrating ICT solutions, climate-smart projects, and public-private partnerships to maximize impact.

In the coming financial year, the Fund plans to:

- Expand bursary allocations to reach more needy students.
- Implement a constituency-wide digital literacy program through upgraded digital hubs.
- Complete all pending infrastructure projects, including roads and school facilities.
- Introduce renewable energy solutions for schools and community facilities.

Conclusion

The Kangema NG-CDFC remains committed to prudent financial management, transparent operations, and impactful development. We will continue to work closely with the community, government agencies, and development partners to meet the constituency's growing needs and aspirations.



Caroline Kiama
Fund Account Manager

7. Environmental and Sustainability Reporting

The National Government Constituencies Development Fund (NG-CDF) Kangema is mandated to facilitate equitable development and improve the quality of life for citizens by financing community-based projects in key sectors such as education, infrastructure, health, security, and economic empowerment. Guided by principles of transparency, accountability, and inclusivity, the Fund channels resources directly to the grassroots, ensuring that development priorities reflect the needs of the people. Its sustainability strategy focuses on prudent financial management, community participation, capacity building, and the integration of innovative, cost-effective, and environmentally conscious solutions. These measures are designed to ensure that the Fund continues to deliver quality services and transformative projects for Kenya's citizens over the long term.

1. Sustainability strategy and profile -

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

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

- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

The Kangema NG-CDF is guided by an environmental policy that commits to integrating environmental conservation and climate-smart practices into all funded projects. This policy emphasizes:

- Sustainable use of natural resources.
- Protection and restoration of local biodiversity.
- Adoption of eco-friendly construction practices.
- Waste reduction and proper disposal in all project sites.

Evidence of Policy Implementation is inclusion of environmental impact considerations in project planning and tender documents. Collaboration with schools, community-based organizations, and the Kenya Forest Service in tree planting and greening programs.

Environmental Achievements

- Biodiversity Management: Planted over 2,000 apple seedlings in 10 learning institutions, promoting agroforestry and providing long-term income potential for schools.
- Waste Management: Incorporated proper waste disposal points in school and public facility projects. Construction waste is managed through recycling and responsible disposal.
- Impact Reduction: Preference for locally sourced building materials to lower carbon footprint and support the local economy.
- Students benefiting from NG-CDF bursaries are engaged in environmental conservation activities at least once per academic year, with tree planting and clean-up exercises held during national environmental days such as World Environment Day and National Tree Planting Day.

3. Employee welfare

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

Kangema Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kangema 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

Kangema 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.

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



.....
Caroline Kiama
Fund Account Manager.

8. 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 NG-CDF office shall prepare financial statements in respect of that constituency office. 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-Kangema Constituency is responsible for the preparation and presentation of the constituency office's financial statements, which give a true and fair view of the state of affairs of the institution 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 institution; 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 institution; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kangema Constituency accepts responsibility for the institution'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 *constituency office's* transactions during the financial year ended June 30, 2025, and of the institution's financial position as at that date. The Accounting Officer charge of the NGCDF- Kangema Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the constituency's financial statements as well as the adequacy of the systems of internal financial control.

REPUBLIC OF KENYA

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kangema Constituency set out on pages 1 to 66,

Report of the Auditor-General on National Government Constituencies Development Fund - Kangema Constituency for the year ended 30 June, 2025

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kangema Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year under review reflects final revenue budget and actual on comparable basis of Kshs.256,143,042 and Kshs.222,645,283 respectively, resulting to an under-funding of Kshs.33,497,759 or 13% of the budget. Similarly, the Fund expended Kshs.150,177,018 against actual receipts of Kshs.222,645,283 resulting to an under-performance of Kshs.72,468,265 or 32%.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit report, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources respectively. Review of the status during audit of the Constituency Fund in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Unsupported Project Management Committee (PMC) Account Balances.
2	2023/2024	Project Management and Implementation Status
3	2023/2024	Construction of ICT Hubs:
		- Incomplete Construction of Administration Kangema Innovation Hub.
		- Funded but not Implemented Kanyuira ICT Hub Project.
		- Delay in Project Completion of Kanyenyaini ICT Hub

Other Information

The Management is responsible for the Other Information set out on page iii to xxxii which comprise of Key Constituency Information and Management, NG-CDFC Committee, NG-CDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Managements Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

the Lawfulness and Effectiveness in 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. Non-Compliance with Ethnic Diversity

The statement of financial performance reflects employee cost of Kshs.4,683,628 and as disclosed under Note 10 to the financial statement. A review of the staff records revealed that all the seven (7) Fund employees were from the same ethnic community. This is contrary to Section 7(1) and (2) of National Cohesion and Integration Act, 2008 which requires public entities to ensure that their establishments seek to represent the diversity of the people of Kenya and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Non-Preparation and Submission of Quarterly Reports

NGCDF - Kangema Constituency did not prepare a report for each quarter of the financial year 2024-2025 in respect of the Fund containing information on the financial and nonfinancial performance of the Fund in a form that complies with the standards prescribed and published by the Accounting Standards Board from time to time. This is contrary to Section 83 (1) of the Public Finance Management Act, 2012 which provide that, an accounting officer for a national government entity shall prepare a report for each quarter of the financial year in respect of the entity that contains information on the financial and non-financial performance of the entity; and in a form that complies with the standards prescribed and published by the Accounting Standards Board from time to time.

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

3. Project Implementation Status

Review of the project implementation status report revealed that the NGCDF - Kangema Constituency budgeted for fifty-one (51) projects worth Kshs.87,413,187 to be undertaken during the year, However, forty-two (42) projects worth Kshs.58,025,037 were completed, seven (7) projects worth Kshs.23,700,000 were ongoing and two (2) projects worth Kshs.5,688,150 had not been started.

In the circumstances, the residents of the Constituency did not get the expected benefits from projects equivalent to Kshs.29,388,150 which were budgeted but had not been started or completed.

4. Projects Inspection Report

Note 13 to the financial statement reflect Kshs.58,724,299 in respect of other government units' actual expenditure, included in the amount is Kshs.14,923,750 incurred on Primary

and Secondary Schools as shown in the table below. The project inspection carried out in the month of September 2025 revealed the following anomalies;

Primary Schools Actual Expenditure			
	Name of the Project	Contract Amount (Kshs.)	Observation
1	Construction of A 10 Door Toilet at Tuthu Primary School	2,690,000	<ul style="list-style-type: none"> • Installation of two hand basins had not been done. • A 1000L vertical close plastic tank had not been installed. • Construction of one manhole had not been done. • Completion of the vent piping was outstanding.
2	Construction of 10 Door Pit Latrine Block with PWD Water Closet at Njii Ithatu Primary School	1,698,495	<ul style="list-style-type: none"> • Four mirrors, as per the bill of quantities (Kshs.1,800 each), were not found installed. • All taps from the wash hand basins have been removed. • The PWD toilet is currently non-operational. • Cracks were observed on the door frames.
3	Supply of Apple Tree Seedlings, Manure Fertilizer and Consultancy Services at Kiangunyi Primary School	239,790	<ul style="list-style-type: none"> • A physical count at the primary school grounds found 160 trees, which is 40 less than the 200 trees listed on the invoice.
4	Construction of 10 Door Pit Latrine Block at Gikui Primary School	1,695,155	<ul style="list-style-type: none"> • Due to its location in an area susceptible to landslides, the facility has experienced ground shift resulting in structural cracks. Consequently, the decision was made to close the pit latrines for safety reasons, as confirmed by the management.
5	Renovation of Four Classrooms, And 10 Door Toilet at Kanguru Primary School	3,730,310	The concrete work on the verandah extension is deteriorating, exposing the mesh reinforcement and associated tying wire suggesting

			poor use of materials used and workmanship.
Transfers to Secondary Schools.			
1	Construction of Perimeter Wall, 2 No. Gates & Completion Of 3 No. Doors Ablution Block at Karuri Gakure Secondary School	4,600,000	Cracks on the perimeter wall columns, fading paint, unfinished gate walls with protruding steel bars, and a septic tank covered by a temporary iron sheet instead of a permanent cover.

In the circumstances, the residents may not achieve value for money on the expenditure spent on the projects due to poor workmanship and implementation of 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 sustainability of service and using the applicable 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 Fund's 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.

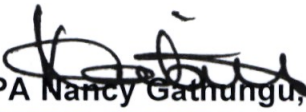
Auditor-General's Responsibilities for the Audit

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

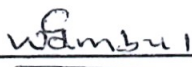
14 November, 2025

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

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

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	156,000
Total revenue		161,653,759
Expenses		
Employee costs	10	4,683,628
Committee expenses	11	6,105,100
Use of Goods and Services	12	4,857,040
Other Government Units Actual expenditure	13	58,724,299
Other Grants and Transfers Actual expenditure	14	73,716,523
Depreciation and amortization expense	15	199,483
Digital Hubs Actual expenditure	16	3,646,620
Total expenses		151,932,693
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		9,721,066

The Constituency financial statements were approved by the NGCDFC on 29th Oct 2025 and signed by:



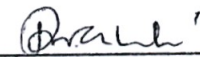
Chairman NG-CDF Committee

Name: Grace Wambui



Fund Accountant Manager

Name: Caroline Kiama



National Sub-County
Accountant

Name: Joyce Wambui
ICPAK M/No: 20232

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

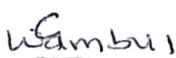

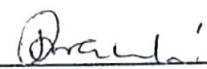
11. Statement Of Financial Position As At 30th June, 2025

	No te	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	73,593,090	61,235,046
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	33,497,759	34,379,062
Prepayments	22	-	58,877
Total Current Assets		107,090,849	95,672,985
Non-Current Assets			
Property, Plant and Equipment	23	776,020	145,117
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		776,020	145,117
Total Assets (A)		107,866,869	95,818,102
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	2,071,354	582,958
Lease Liabilities	28	-	-

*National Government Constituencies Development Fund (NGCDF)
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Gratuity provision	29	1,865,676	1,026,372
Total Current Liabilities		3,937,030	1,609,330
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		3,937,030	1,609,330
Net Assets (A-B)		103,929,838	94,208,772
Represented by:			
Revaluation Reserves		-	-
Accumulated Surplus		103,929,838	94,208,772
Total Net Assets		103,929,838	94,208,772

The Constituency financial statements set out on pages 1 to 5 approved by NG CDFC on 29th Oct 2025 and signed by:

		
Chairman NG-CDF Committee Name: Grace Wambui	Fund Accountant Manager Name: Caroline Kiama	National Sub-County Accountant Name: Joyce Wambui ICPAK M/No: 20232

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

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

Description	Reserves	Accumulated	Total
		surplus/Deficit	
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)		14,035,147	14,035,147
Adjustments: (to recognize assets and liabilities)			
Add Assets		80,756,583	80,756,583
Less Liabilities		(582,958)	(582,958)
As at July 1, 2024		94,208,772	94,208,772
Surplus/(Deficit) For the Period		9,721,066	9,721,066
Revaluation Gain/Loss		-	-
As at 30th June (current year)		103,929,838	103,929,838

Note:

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

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

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

	Notes	Period ended
		30th June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		162,379,062
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		156,000
Total Receipts		162,535,062
Payments		
Employee costs		3,844,324
Committee expenses		6,105,100
Use of Goods and Services		4,798,163
Other Government Units Certified Works		57,517,332
Other Grants and Transfers		73,738,972
Digital Hubs Expenses		3,342,741
Total Payments		149,346,632
Net Cash Flows from/ (used in) Operating Activities	28	13,188,430
Cash flows From Investing Activities		
Purchase of PPE		830,386
Purchase of Intangible assets		-
Proceeds from Sale of PPE		-
Net Cash Flows from Investing Activities		830,386
Net increase/(decrease) in cash & Cash equivalents		12,358,044
Cash and cash equivalents at Period Start	17	61,235,046
Cash and cash equivalents at Period End	17	73,593,090

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

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

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

	Original Budget	Adjustments		Final Budget	Actual on	Budget	% of
					comparable	utilization	Utilization
	Kshs	Kshs	Kshs	basis	difference		
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements				
Revenue							
Transfers From the NGCDF Board	161,497,759	60,110,221	34,379,062	255,987,042	222,489,283.00	33,497,759	87%
Grants/donations from other entities	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	156,000	-	156,000	156,000	0	100%
Totals	161,497,759	60,266,221	34,379,062	256,143,042	222,645,283	33,497,759	
Expenses							
Employee costs	4,989,513	1,853,577	194,506	7,037,596	3,844,324	3,193,272	55%
Committee expenses	3,068,000	3,541,155	-	6,609,155	6,105,100	504,055	92%

*National Government Constituencies Development Fund (NGCDF)
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Use of Goods and Services	6,477,286	3,452,690	-	9,929,976	4,798,163	5,131,813	48%
Other Government Units Certified Works	57,200,000	40,140,473	24,180,056	121,520,529	57,517,332	64,003,197	47%
Other Grants and Transfers	75,762,961	4,617,416	10,004,500	90,384,877	73,738,972	16,645,905	82%
Digital Hubs Expenses	3,100,000	5,319,485	-	8,419,485	3,342,741	5,076,744	40%
Others	-	12,909	-	12,909	0	12,909	0%
Acquisition of assets	-	850,000	-	850,000	830,386	19,614	98%
Funds Pending Approval**	10,900,000	322,516	-	11,222,516	0	11,222,516	0%
Total Expenditure	161,497,760	60,110,221	34,379,062	255,987,043	150,177,018	105,810,025	
Surplus for the period	-1	156,000	0	155,999	72,468,265	-72,312,266	

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

Explanatory Notes.

- **Transfers from the NGCDF Board; (87%)** - The Under realization was as a result of undisbursed funds from the NGCDF Board.
- **Employee Costs (55%)** – The underutilization was due to delays in fund disbursement from the NG-CDF Board. Additionally, a portion of the budgeted amount was earmarked for staff gratuity, which had not yet been paid out by the close of the financial year pending

- **Use of Goods and Services (48%)** – The low absorption was primarily caused by delayed procurement processes caused by delay in disbursement funds from NG-CDF Board.
- **Certified Works** – Transfers to Other Government Units (47%) – This was attributed to delays in approval of project work plans and late disbursement of funds from the NG-CDF Board, which affected project execution timelines.
- **Other Grants and Transfers (82%)** This was attributed to delays in approval of project work plans and late disbursement of funds from the NG-CDF Board, which affected project execution timelines.
- **Digital Hubs Expenses (40%)** – The low utilization resulted from the slow progress of ICT Hub equipping and installation activities, awaiting guidance from the Ministry of ICT and Public Works on specifications and standards.
- **Funds pending approval (0%)** are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.
- **Others;(0%)** These are funds in the PMC accounts that requires reallocation after remaining unutilized after closure of the project.

Reconciliation of Summary Statement of Appropriation to Statement of financial Position	
Description	Amount (Kshs)
Budget utilisation difference totals	105,810,025
Less undisbursed funds receivable from the Board as at 30 June 2025	(33,497,759)
Opening Deposits account balance and Ain A	1,280,824
Cash and Cash Equivalents at the end of the 30 June 2025	73,593,090

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 29th Oct 2025 and signed by:

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

Chairman NG-CDF Committee
 Name: Grace Wambui

Fund Accountant Manager
 Name: Caroline Kiama

Drawn
 National Sub-County Accountant
 Name: Joyce Wambui
 ICPAK M/No: 20232

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

Programme/Sub-programme	Original Budget			Final Budget	Actual oncomparable basis	Budget utilization difference
		Adjustments				
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,989,513	1,853,577	194,506	7,037,596	3,844,324	3,193,272
1.2 Committee allowances	1,352,000	1,592,655		2,944,655	2,780,100	164,555
1.3 Use of goods and services	3,348,353	1,662,662		5,011,015	3,397,463	1,613,552
Sub-total	9,689,866	5,108,894	194,506	14,993,266	10,021,887	4,971,379
2.0 Monitoring and evaluation						
2.1 Capacity building						
2.2 Committee allowances	1,716,000	1,948,500		3,664,500	3,325,000	339,500

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2.3 Use of goods and services	3,128,933	1,790,028		4,918,961	1,400,700	3,518,261
Sub-total	4,844,933	3,738,528	-	8,583,461	4,725,700	3,857,761
4.0 Emergency						
KANGEMA KMTCC PMC		251,267		251,267	249,484	1,783
Tuthu Primary School	2,700,000	2,244		2,702,244	2,368,126	334,118
DR KIANO BOYS SEC SCHOOL	2,000,000	2,488		2,002,488	1,890,376	112,112
RWATHIA MIXED SEC SCHOOL PMC	2,500,000			2,500,000	-	2,500,000
						-
Sub-total	8,499,879	255,998	-	8,755,877	4,507,986	4,247,891
5.0 Bursary and Social Security						
5.1 Primary Schools						
5.2 Secondary Schools	38,413,081	2,904,801		41,317,883	38,609,098	2,708,785
5.3 Tertiary Institutions	17,000,000	660,408		17,660,408	17,660,000	408
5.4 special needs	2,500,000	450,000		2,950,000	2,928,300	21,700
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	57,913,081	4,015,209	-	61,928,291	59,197,398	2,730,893

National Government Constituencies Development Fund (NGCDF)
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7.0 Environment						
Ngoro Primary School			857,000	857,000	809,505	47,496
Ihiga Primary School		89,427	857,500	946,927	854,421	92,506
Kanyenyaini Primary School		549	300,000	300,549	300,365	184
Kibutha Secondary School		27,249	300,000	327,249	326,865	384
Kenya Njeru Primary		99,140	300,000	399,140	300,365	98,775
Kiawambogo Primary School			300,000	300,000	299,790	210
Kanguru Primary School			300,000	300,000	299,790	210
Kihoya Primary School		120	300,000	300,120	299,865	255
Wanjerere Primary School		54,802	300,000	354,802	353,423	1,379
Muguru Primary School		37,750	300,000	337,750	300,365	37,385
Mukarara Primary School		5,300	200,000	205,300	198,970	6,330
Kiangunyi Primary School			300,000	300,000	299,865	135
Gakira AP Camp		7,910		7,910		7,910
Gatang'ara Asst Chief Office		10,061		10,061		10,061
				-		-
				-		-
Iyego Chiefs Office	350,000			350,000		350,000

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

Kanyenyaini Chiefs office	350,000			350,000		350,000
Kihoya Chiefs Office	350,000			350,000		350,000
Ichichi Chiefs Office	350,000			350,000		350,000
Githiga Chiefs Office	350,000			350,000		350,000
Muringaini Chiefs Office	350,000			350,000		350,000
Muguru Chiefs Office	350,000			350,000		350,000
Gacharaigu Chiefs Office	350,000			350,000		350,000
Rwathia Chiefs Office	350,000			350,000		350,000
ACC Muguru Office	350,000			350,000		350,000
	350,000			350,000		350,000
				-		-
Sub-total	3,850,000	332,307	4,614,500	8,796,807	4,643,588	4,153,219
8.0 Primary Schools Projects						
Njii ithatu Primary School PMC		1,702,550	1,456,318	3,158,868	3,125,562	33,306
Ngoeini Primary School PMC		700,000	1,456,318	2,156,318	1,975,038	181,281
Karura Primary School PMC			5,483,906	5,483,906	5,260,679	223,227
St John Kiruri Primary School	2,250,000	5,950,000	1,456,318	9,656,318	5,465,958	4,190,360
Thirikwa Primary School			778,256	778,256		778,256

*National Government Constituencies Development Fund (NGCDF)
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Muguru Primary School	4,100,000			4,100,000	-		4,100,000
Mukarara Primary School	2,000,000			2,000,000	-		2,000,000
Keirathe Primary School	2,000,000			2,000,000			2,000,000
Watuha Primary School	3,200,000			3,200,000			3,200,000
Ngoro Primary School	2,000,000			2,000,000			2,000,000
Kiangunyi Primary School	2,000,000			2,000,000			2,000,000
Gacharaigu Primary	2,500,000			2,500,000			2,500,000
Ihiga Primary School	4,500,000			4,500,000			4,500,000
Gachogi Primary School	6,200,000			6,200,000			6,200,000
Kihoya Primary School	2,500,000			2,500,000			2,500,000
Kayu Primary School	1,100,000			1,100,000			1,100,000
Kenya Njeru Primary school	2,600,000			2,600,000			2,600,000
Kibutha Primary School	2,000,000			2,000,000			2,000,000
Gitugu primary School	550,000		550,000	1,100,000	549,575		550,425
Ichichi Primary School	1,500,000			1,500,000			1,500,000
Kiruri Primary School	3,000,000			3,000,000			3,000,000
Karurumo Primary School	2,000,000			2,000,000			2,000,000
GITHIGA PRIMARY SCHOOL PMC		132,490	762,450	894,940	698,156		196,784

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HOLY ROSARY PRIMARY SCHOOL PMC		163,024	5,740,636	5,903,660	5,579,141	324,520
KAHITI PRIMARY SCHOOL PMC		4,007,850	1,456,318	5,464,168	5,314,412	149,756
KARURI PRIMARY SCHOOL		145,941	1,456,318	1,602,259	1,505,662	96,597
NDUINI PRIMARY SCHOOL PMC		88,285	1,456,318	1,544,603	1,447,640	96,963
Gatunduini Primary School PMC		135,780		135,780	109,819	25,962
Iyego Primary School PMC		3,815		3,815	-	3,815
Nyagatugu Primary School		3,206,132		3,206,132	3,154,461	51,671
Rwathia Primary School PMC		976,686		976,686	870,681	106,005
Kangema Primary School		3,567		3,567		3,567
Karurumo Primary School		20,690		20,690		20,690
Kibutha Primary School		4,834		4,834		4,834
Nyakahura Primary School		108,305		108,305		108,305
Kiawairegi Primary School		4,900,000		4,900,000	4,814,575	85,425
Gikui Primary School		1,700,000		1,700,000	1,696,555	3,445
Kanguru Primary School		3,850,000		3,850,000	3,730,310	119,690
Kiawambogo Pry School		1,700,000		1,700,000	1,640,005	59,995
Gacharaigu Primary School		1,100,120		1,100,120	1,100,000	120
Mugechi Kaboro Primary School		1,498,975		1,498,975	485,229	1,013,746

National Government Constituencies Development Fund (NGCDF)
Kangema Constituency
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				-		-
Sub-total	46,000,000	32,099,043	22,053,156	100,152,199	48,523,456	51,628,743
9.0 Secondary Schools Projects (List all the Projects)						
Gitugu Secondary School	7,200,000			7,200,000		7,200,000
Nyakahura Secondary school	4,000,000			4,000,000		4,000,000
Kanyenyaini Secondary School			1,700,000	1,700,000	1,486,155	213,845
Karuri Gakure Secondary School		4,600,740	426,900	5,027,640	4,659,141	368,499
Iyego Sec School PMC		110,494		110,494	-	110,494
Rwathia Sec School		94,830		94,830	79,219	15,611
Kanorero Sec School		672,323		672,323	574,656	97,668
Gakira Sec School		812,789		812,789	518,784	294,006
Karurumo Mixed Secondary school		1,700,000		1,700,000	1,675,922	24,078
				-		-
				-		-
Sub-total	11,200,000	7,991,176	2,126,900	21,318,076	8,993,876	12,324,200
10.0 Tertiary institutions Projects (List all the Projects)						
MICHUKI YOUTH POLYTECHNIC PMC		50,254		50,254	-	50,254

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Rwathia Chief's Office			330,000	330,000	330,000	-
Kanyenyaini Chief's Office			200,000	200,000	200,000	-
Ichichi Chief's Office			330,000	330,000	330,000	-
Kiruri Chief's Office			330,000	330,000	330,000	-
Githiga Chief's Office			330,000	330,000	330,000	-
Mununga Assistant Chief Office PMC		13,902		13,902		13,902
			-	-		-
						-
Sub-total	5,500,000	13,902	5,390,000	10,903,902	5,390,000	5,513,902
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.4 Purchase of computers		850,000		850,000	830,386	19,614
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
Sub-total	-	850,000	-	850,000	830,386	19,614
Digital hub						
Kanyenyaini ICT Hub	1,800,000	1,660,563		3,460,563	1,467,936	1,992,627
Kangema Innovation Hub	1,300,000	2,000,000		3,300,000	1,874,805	1,425,195
Kanyuira ICT HUB		1,658,922		1,658,922		1,658,922

*National Government Constituencies Development Fund (NGCDF)
Kangema Constituency
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				-		-
Sub Total	3,100,000	5,319,485	-	8,419,485	3,342,741	5,076,744
13.0 Others						
KIAWAMBOGO DISPENSARY-CDF		5,057		5,057		5,057
KIAMARA DISPENSARY CDF		3,137		3,137		3,137
GATANGARA DISPENSARY		4,392		4,392		4,392
IHIGA-INI DISPENSARY P.M.C		323		323		323
				-		-
				-		-
				-		-
				-		-
Sub Total	-	12,909	-	12,909	-	12,909
Funds pending approval**						-
unapproved projects	10,900,000			10,900,000		10,900,000
AiA	-	322,516		322,516		322,516
Sub-total	10,900,000	322,516	-	11,222,516	-	11,222,516
Total	161,497,759	60,110,221	34,379,062	255,987,042	150,177,018	105,810,024

16. 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 Kangema Constituency principal activity is the implementation of NG CDF funded projects.

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

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

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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 NGCDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The standard will have no impact since Kangema NG-CDF, has no intentions to enters into lease arrangements</i></p>
IPSAS 44: Non- Current Assets Held	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

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<p>for Sale and Discontinued Operations</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>Financial statements would reflect the change in asset classification and valuation, improving transparency and accountability of public assets</i></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <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.

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	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of	<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> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.

Mineral Resources	<ul style="list-style-type: none"> ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

The Kangema NGCDF 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 19th June 2025 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 constituency office 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 Institution. 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 Kangema NGCDF does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortised 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 18

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	161,497,759
Total	161,497,759

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7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

Description	Period ended June 2025
	Kshs
Rental Income	-
Income from sale of tenders	42,000
Hire of plant/equipment/facilities	114,000
Other Income Not Classified Elsewhere (specify)	-
Total	156,000

10. Employees cost

	2024/2025
	Kshs
NG-CDFC Basic staff salaries	2,727,205
Personal allowances paid as part of salary	-
House Allowance	470,700

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Transport Allowance	340,800
Leave allowance	28,000
Gratuity to contractual employees	839,304
Employer Contributions Compulsory national social security schemes	220,624
Employer Contributions Compulsory Housing levy	52,795
Employer contributions to National Industrial Training Authority	4,200
Other Specify	-
Total	4,683,628

11. Committee Expenses

	2024/2025
	Kshs
Sitting allowance	3,557,100
Other Committee expenses	2,548,000
Total	6,105,100

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12. Use of Goods and services

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	65,897
Communication, supplies and services	444,566
Domestic travel and subsistence	85,400
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	273,300
Hospitality supplies and services	1,461,000
Insurance costs	58,877
Specialized materials and services	-
Office and general supplies and services	1,120,436
Fuel, oil & lubricants	728,731
Bank Charges	5,455
Routine maintenance – vehicles and other transport equipment	263,378
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	350,000
Total	4,857,040

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13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	49,333,909
Secondary Schools Actual expenditure	9,390,390
Tertiary Institutions Actual expenditure	-
Total	58,724,299

14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	38,609,098
Bursary – tertiary institutions	17,660,000
Bursary – special schools	2,928,300
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	5,390,000
Climate change mitigation projects	4,621,139
Emergency projects Actual Expenditure	4,507,986
Roads projects	-
Others specify	-
Total	73,716,523

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	199,483
Intangible Assets	-
Total	199,483

16. Digital Hubs Expenses

Description	2024/2025
	Kshs
Construction/ renovation/ Actual expenditure	3,646,620

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Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others <i>(specify)</i>	-
Total	3,646,620

17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank, Account No. 0030294329608 (Operations account)	36,554,881	14,035,147
Operations account pending closure (Indicate name & account no.)	-	-
KCB Bank, account No. 1330253914(Deposit account)	1,865,676	1,026,372
Equity Bank (PMC accounts)	35,172,533	46,173,527
Total	73,593,090	61,235,046
Cash Balances		

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Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

Description	2024/2025		Opening Statement 1 July 2025	
	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	2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Transfers from NGCDFB	33,497,759		34,379,062.00	
Outstanding imprest			-	
Total	33,497,759		34,379,062	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	33,497,759	100%	34,379,062	100%
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	33,497,759		34,379,062	

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		58,877	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	-		58,877	

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2025	-	-	-	-	207,310	-	207,310
Additions	-	-	-	532,386	298,000	-	830,386
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	532,386	505,310	-	1,037,696
Depreciation And Impairment							
Opening Depreciation	-	-	-	-	62,193	-	62,193
Depreciation	-	-	-	66,548	132,935	-	199,483
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	66,548	195,128	-	261,676
Net Book Values							
Opening Bal as at 1 st July 2025	-	-	-	-	145,117	-	145,117
As At 30 th June 2025	-	-	-	465,838	310,182	-	776,020

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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 30th June 2025.

23 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	505,310	195,128	310,182
Office Equipment, Furniture, And Fittings	532,386	66,548	465,838
Total	1,037,696	261,676	776,020

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

25. Right-of use assets

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

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As At 30 June 2025. (Comparative Period)	-	-	-	-
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26. Trade and Other Payables

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

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27. Third-Party deposits

	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)	582,958	
Retention held during the period (B)	5,045,388	582,958
Retention paid during the period (C)	(3,556,991)	-
Closing Retention as at period 30 th June, 2025 D= A+B-C	2,071,354	582,958

Retentions aging analysis.

	Period ended June 2025	% of the total	Opening Statement 1st July 2024	% of the total
Less than 1 year	2,071,354	100%	582,958	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	2,071,354	-	582,958	-

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

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	<i>Period ended June</i>	<i>Opening</i>
	<i>2025</i>	<i>Statement</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,026,372	-
Gratuity held during the period (B)	839,304	1,026,372
Gratuity paid during the period (C)	-	-
Total Gratuity provision D=(A+B-C)	1,865,676	1,026,372

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	9,721,066
Adjusted for:	
Depreciation	199,483
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	881,303
Changes in deferred income	-
Changes in Third party deposits	1,488,397
Changes in gratuity provision	839,304
Changes in payments received in advance	58,877
Net cash flow from operating activities	13,188,430

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

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
As at 30 June (Previous FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	-	-
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 recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. The carrying amount of the *Entity's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (Current FY)			
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

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (Current FY)			
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	10%	-	-
USD	10%	-	-
Previous FY			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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- 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)	-	-	-	-
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

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

Description	Period ended June 2025	Opening Statement 1 st July 2024
	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	-	-

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32. Related Party Disclosures

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,557,100	942,455
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	162,379,062	1,523,555

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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17. 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	86,522,622			86,522,622.00
Transport equipment	6,526,757			6,526,757.00
Office equipment, furniture, and fittings	1,199,483	465,837.75		1,665,320.75
ICT Equipment and Other ICT Assets	1,408,321	310,181.90		1,718,502.90
Other Machinery and Equipment	299,995			299,995.00
Intangible assets				-
Total	95,957,178	776,020	-	96,733,198

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

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Gatunduini Primary School PMC	EQUITY	0030279683496	115	135,780
Githiga Primary School	EQUITY	0030299915412	196,784	132,490
Holy Rosary Primary School	EQUITY	0030299932007	324,520	163,024.30
Ihiga Primary School PMC	EQUITY	0030280795405	4,592,506	89426.5
Iyego Primary School PMC	EQUITY	0030260476490	3,815	3,815
Kahiti Primary School PMC	EQUITY	0030279899035	149,756	4,007,850
Nduini Primary School PMC	EQUITY	0030292551699	96,963	88,285
Nyagatugu Primary School	EQUITY	0030269044599	115	3,206,132
Rwathia Primary School PMC	EQUITY	0030270074204	115	976,686
Kangema Primary School	EQUITY	0030280531376	3,567	3,567
Karurumo Primary School	EQUITY	0030279780169	20,690	1,720,690
Kibutha Primary School	EQUITY	0030299903747	4,834	4,834
Muguru Primary School	EQUITY	0030260521854	4,137,385	37,750
Nyakahura Primary School	EQUITY	0030279409175	108,305	108,305
Tuthu Primary School	EQUITY	0030281072657	334,118	2,244
Njii ithatu pry school	EQUITY	0030282532059	33,306	1,702,550
Ngoeini Primary School	EQUITY	0030264352670	181,281	700,000

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Karura Primary School	EQUITY	0030299796654	223,227	-
St John Kiruri Primary School	EQUITY		4,190,360	5,950,000
Kiawairegi Primary School	EQUITY	0030299794045	85,425	4,900,000
Gikui Primary School	EQUITY		115	1,700,000
Kiawambogo Pry School	EQUITY	0030279883732	60,205	1,700,000
Kanguru Primary School	EQUITY	0030279906974	115	3,850,000
Kenya Njeru Primary School PMC	EQUITY	0030280999742	115	99,140
Wanjerere Primary School	EQUITY	0030264383678	115	54,802
Kanyenyaini Primary School	EQUITY	0030279676159	115	549
Gacharaigu Primary School	EQUITY	0030279816118	115	1,100,120
Mukarara Pry School	EQUITY	0030281327385	2,006,330	5,300
Kihoya Pry School	EQUITY	0030284355401	2,500,255	120
Kibutha Mixed Sec School	EQUITY	0030282931473	115	27,249
Rwathia Sec School	EQUITY	0030261597477	115	94,830
Karuri Gakure Sec School	EQUITY	0030268393482	368,499	4,600,740
Kanorero Sec School	EQUITY	0030299797351	97,668	672,323
Karurumo sec school	EQUITY	30279795477	115	
Rwathia Mixed Sec School	EQUITY	0030260378894	2,500,000	
Dr Kiano Boys Sec School	EQUITY	0030282634114	112,112	2,488

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Thirikwa Primary School	EQUITY	0030280877894	876,710	98,454
Watuha Primary School	EQUITY	0030280127613	3,200,000	
Kiangunyi Primary School PMC	EQUITY	0030261706532	135	
DCIO KANGEMA OFFICE	FAMILY	009000027483	3,000,000	
GACHARAIGU CHIEFS OFFICE	FAMILY	009000027484	-	
GAKIRA SECONDARY PMC	FAMILY	009000024773	294,006	812,789
GITHIGA CHIEFS OFFICE	FAMILY	009000027485	-	
GITUGU PRIMARY SCHOOL PMC	FAMILY	009000027379	550,425	
ICHICHI CHIEFS OFFICE	FAMILY	009000027486	-	
IYEGO ACCS OFFICE	FAMILY	009000027488	-	
IYEGO CHIEFS OFFICE	FAMILY	009000027487	-	
KANGEMA INNOVATION HUB PMC	FAMILY	009000026462	1,425,195	2,000,000
Kanyuira ICT HUB				1,658,922
KANGEMA KMTCC PMC	FAMILY	009000021661	-	251,267
KANGEMA SUB COUNTY PROBATION OFFICE	FAMILY	009000027489	-	
KANYENYAINI ACCS OFFICE	FAMILY	009000027491	-	
KANYENYAINI CHIEFS OFFICE	FAMILY	009000027490	-	
KANYENYAINI ICT HUB PMC	FAMILY	009000026518	1,992,627	1,660,563
KANYENYAINI SEC SCHOOL PMC	FAMILY	009000027377	213,845	

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
KIHOYA CHIEFS OFFICE	FAMILY	009000027482	-	
KIRURI CHIEFS OFFICE	FAMILY	009000027494	-	
MUGURU CHIEFS OFFICE	FAMILY	009000027495	-	
MURINGAINI CHIEFS OFFICE	FAMILY	009000027496	-	
NGOORO PRIMARY	FAMILY	009000027378	47,496	
RWATHIA ACCS OFFICE	FAMILY	009000027499	-	
RWATHIA CHIEFS OFFICE	FAMILY	009000027497	-	
TUTHU CHIEFS OFFICE	FAMILY	009000027502	-	
Karuri Primary School	FAMILY	009000024764	96,597	145,941
IYEGO SECONDARY SCHOOL	KCB	009000014320	110,494	110,494
Gakira AP Camp	KCB		7,910	7,910
Gatang'ara Asst Chief Office	KCB		10,061	10,061
Mugechi Kaboro Primary School	KCB		1,013,746	1,498,975
MICHUKI YOUTH POLYTECHNIC PMC	KCB			50,254
KIAWAMBOGO DISPENSARY-CDF	KCB			5,057
KIAMARA DISPENSARY CDF	KCB			3,137
GATANGARA DISPENSARY	KCB			4,392
IHIGA-INI DISPENSARY P.M.C	KCB			323
Mununga Assistant Chief Office PMC	KCB	0030279683496		13,902

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Total			35,172,533	46,173,527

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Unsupported Project Management Committee (PMC) Account Balances</p> <p>The financial statements reflect Kshs.7,326,064 in respect of Project Management Committees (PMC) account balances as disclosed in Note 19.4 and detailed Annex 5. However, the balance was not supported by cash books and bank certificates In the circumstances, the accuracy and completeness of PMC bank accounts balances of Kshs.7,326,064 could not be confirmed.</p>	<p>The bank balance certificates were availed.</p>	Resolved	
	<p>The Fund's summary statement of appropriation reflects final budget and actual on comparable basis of Kshs.230,031,933 and Kshs.195,652,871 respectively, resulting to a budget under funding of Kshs.34,327,562 representing 15% of the budget. Similarly, the Management spent Kshs.181,617,724 against an actual receipt of Kshs.195,652,871 resulting to under</p>	<ul style="list-style-type: none"> • Kshs.34,327,562 represent undisbursed funds from NGCDF Board • Kshs.14,035,147 were funds received at the closure of the financial year 	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)															
	<p>absorption of Kshs.14,035,147 representing 7 % of the receipts</p> <p>In the circumstances, the underfunding affected the planned activities and projects which could have impacted positively on the lives of the public.</p>	<p>whose activities were done in the next financial year.</p>																	
	<p>Project Management and Implementation Status</p> <p>The Fund's projects implementation status report as at 30 June, 2024 provided for audit review reflected budget allocations of Kshs.91,080,087 to fifty-five (55) projects. Audit review of the projects implementation status report revealed the following:</p> <table border="1" data-bbox="925 1299 1300 1825"> <thead> <tr> <th>Project Status</th> <th>Count</th> <th>Budgeted Cost (Kshs.)</th> </tr> </thead> <tbody> <tr> <td>Complete and in use</td> <td>21</td> <td>49,142,612.00</td> </tr> <tr> <td>On-going</td> <td>12</td> <td>26,745,013.00</td> </tr> <tr> <td>Not Started</td> <td>22</td> <td>15,192,462.00</td> </tr> <tr> <td>Total</td> <td>55</td> <td>91,080,087.00</td> </tr> </tbody> </table>	Project Status	Count	Budgeted Cost (Kshs.)	Complete and in use	21	49,142,612.00	On-going	12	26,745,013.00	Not Started	22	15,192,462.00	Total	55	91,080,087.00	<ul style="list-style-type: none"> 22 projects that had not started were in procurement stage however they are complete and in use, 	Resolved	
Project Status	Count	Budgeted Cost (Kshs.)																	
Complete and in use	21	49,142,612.00																	
On-going	12	26,745,013.00																	
Not Started	22	15,192,462.00																	
Total	55	91,080,087.00																	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>It was observed that some projects were still on going and others had not started. In the circumstance the residents of Kangema constituency may have been denied the expected benefits from the incomplete and not started projects.</p>			
	<p>2.1 Incomplete Construction of Administration Kangema Innovation Hub. Kangema Innovation Hub project was allocated Kshs.2,000,000 for renovations to completion of ICT Hub which included: - Painting and repairs doors, windows and ceiling, Purchase of chairs and workstation, electrical installation, structure cabling, installation of CCTV. Project inspection conducted in the month of December, 2024 revealed that, although Kshs.913,388 have been paid, Electrical Installation, Structure cabling, Installation of CCTV works had not been done. No reason was provided for not completing the project. In addition, the contractor was not on site.</p>	<p>The project is complete and in use</p>	<p>Resolved</p>	
	<p>2.2 Funded but not Implemented Kanyuira ICT Hub project. Kanyuira ICT Hub project was allocated Kshs.1,660,562 for renovations to completion of ICT Hub whose works were, Painting and</p>	<p>The handing over process of Kanyuira ICT to national government is ongoing</p>	<p>Not resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>repair of doors, windows and ceiling, Purchase of chairs and workstation, electrical installation, structure cabling, installation of CCTV. However during the time of audit in Decemebr,2024 the funds had been disbursed to the project management Committee account but the project had not started.</p>			
	<p>Delay in Project Completion of Kanyenyaini ICT Hub Kanyenyaini Hub project was allocated Kshs.1,660,563 for renovations to completion of ICT Hub which include: - Painting and repairs doors, windows and ceiling, purchase of chairs and workstation, electrical installation, structure cabling, installation of CCTV. Project commencement date was 29 July, 2024 with a projected end date of 30 September, 2024. There was no request for extension of the Project by the contractor. Review of the Project status as at December, 2024 revealed that the Project was still ongoing and contactor had been paid Ksh.773,674</p>	<p>The project is complete and in use</p>	<p>Resolved</p>	



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Name: Caroline Kiama
Fund Account Manager.