

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
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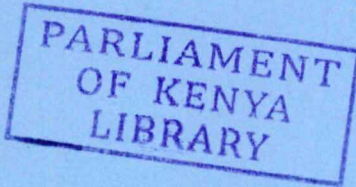
TABLED
BY:

Hon. Robert Pukode

CLERK-AT
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Mudo Atabo

REPORT



OF

THE AUDITOR-GENERAL

ON

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

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE

21 OCT 2025

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MATHARE 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)

Mathare Constituency

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

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National Government Constituencies Development Fund (NGCDF)

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

National Government Constituencies Development Fund (NGCDF)

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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;

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- 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 Mathare 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	Olympia Musonye
2.	National Sub-County Accountant	Conelius Kimori
3.	Chairman NGCDFC	Martin Shikuku
4.	Member NGCDFC	Mwanaisha Joel Adhiambo (operations a/c)
5.	Member NG CDFC	Mwanaisha Joel Adhiambo (deposit a/c)

(c) Fiduciary Oversight Arrangements

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

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(d) NGCDF Mathare Constituency Headquarters

Deputy County Commissioners Office
Mathare Sub-County
Juja Road
P.O Box 38670-00623
Nairobi, Kenya

(e) NGCDF Mathare Constituency Contacts

P.O. Box 38670-00623
Telephone: (254) 725726065
E-mail: cdmatharecdf@ngcdf.go.ke
Website: www.mathare.ngcdf.go.ke

(f) NGCDF Mathare Constituency Bankers

1. Equity Bank Limited
Branch: Four ways
A/c No: 0020261806785
P O Box 75104 - 00200
Nairobi, Kenya

2. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770286266437
P O Box 75104 - 00200
Nairobi, Kenya

3. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770284852515
P O Box 75104 - 00200
Nairobi, Kenya

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4. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770284852591
P O Box 75104 - 00200
Nairobi, Kenya

5. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770279835038
P O Box 75104 - 00200
Nairobi, Kenya

6. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770285618993
P O Box 75104 - 00200
Nairobi, Kenya

7. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770286266412
P O Box 75104 - 00200
Nairobi, Kenya

8. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770285986193
P O Box 75104 - 00200
Nairobi, Kenya

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9. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770285986083
P O Box 75104 - 00200
Nairobi, Kenya

10. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770286014965
P O Box 75104 - 00200
Nairobi, Kenya

11. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770285986039
P O Box 75104 - 00200
Nairobi, Kenya

12. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770284162576
P O Box 75104 - 00200
Nairobi, Kenya

13. Equity Bank Limited
Branch: Parliament Road
A/c No: 1770280726375
P O Box 75104 - 00200
Nairobi, Kenya

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14. Equity Bank Limited

Branch: Parliament Road

A/c No: 1770278214169

P O Box 75104 - 00200

Nairobi, Kenya

15. Equity Bank Limited

Branch: Parliament Road

A/c No: 1770282991181

P O Box 75104 - 00200

Nairobi, Kenya

16. Equity Bank Limited

Branch: Parliament Road

A/c No: 1770277748538

P O Box 75104 - 00200

Nairobi, Kenya

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(g) Independent Auditor

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

(h) Principal Legal Adviser





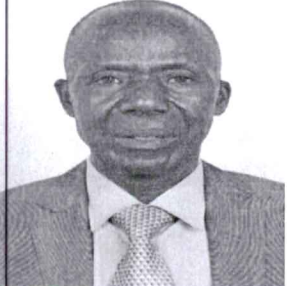
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

National Government Constituencies Development Fund (NGCDF)

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





3. NGCDF Committee

Name	Details
 Chairman: Martin Shikuku	24/12/1993 Diploma 7 years' work experience
 Mwanaisha Joel Adhiambo- Secretary	05/11/1987 Diploma 10 years work experience
 Mary Njeri Moi- Co-opted member	01/01/1959 O-Level 6 years work experience
 Nancy Osiche Onyango-Female youth	10/04/1995 O-Level 6 years work experience
 Virtelis Opicha- Co-opted member	28/11/1962 O-level 15 years of work experience

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 <p>Magdaline Kalondu Masila- CDF female nominee</p>	<p>22/10/1985 O-level 10 years work experience</p>
 <p>Peter Njoroge Kamau-Male adult</p>	<p>10/12/1987 O-level 8 years work experience</p>
 <p>Diramu Wario- PWD rep</p>	<p>01/01/1967 O-level 4 years work experience</p>
 <p>OLYMPIA MUSONYE-Fund Account Manager</p>	<p>21st January 1988 PHD ongoing 15 yrs work exp</p>

National Government Constituencies Development Fund (NGCDF)

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

Jared Ondiek Omondi from December 2022 to December 2024

National Government Constituencies Development Fund (NGCDF)

Mathare Constituency

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

4. NG-CDFC Chairman's Report



NAME; MARTIN SHIKUKU PETER
CHAIRPERSON, MATHARE NG-CDF

INTRODUCTION

Mathare Constituency is one of the 17 constituencies in Nairobi County No 47 and among the 290 constituencies in Kenya. The constituency is divided into 6 administrative wards namely:

No	Ward name	Sub location name	Population	Total area
1	Hospital –ward	Mathare sub-location of Nairobi County	30,463	0.80
2	Mabatini Ward	Mabatini (4B and Gitathuru) sub-location of Nairobi County	31,408	0.40
3	Huruma Ward	Part of Huruma sub-location of Nairobi County	36,247	0.35
4	Ngei Ward	Part of Huruma sub-location of Nairobi County	36,248	0.35
5	MlangoKubwa Ward	MlangoKubwa sub-location of Nairobi County	38,374	0.40
6	Kiamaiko Ward	Kiamaiko sub-location of Nairobi County	33,824	0.70
			206,564	3km²

FORWARD BY CHAIRMAN NGCDF COMMITTEE ON BUDGET PERFORMANCE

I have the pleasure to present the Mathare –NCDF annual report and financial statements for the financial year 2024/2025. The people of Mathare constituency are determined to participate effectively in domesticating objectives of vision the big 5 agendas in our development planning. The constituents now have power to implement the formulation

National Government Constituencies Development Fund (NGCDF)

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and implementation of development programs in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

Financial Year Budget

In the financial year 2024/2025 the NG-CDF Mathare Constituency was allocated Kshs 188,414,052 and we have received the Kshs. 219,991,794 allocated for the financial year 2023/2024/2025 and the utilization has gone well in which Kshs. 56,433,146 of the funds allocated to projects has been utilized effectively as bellow.

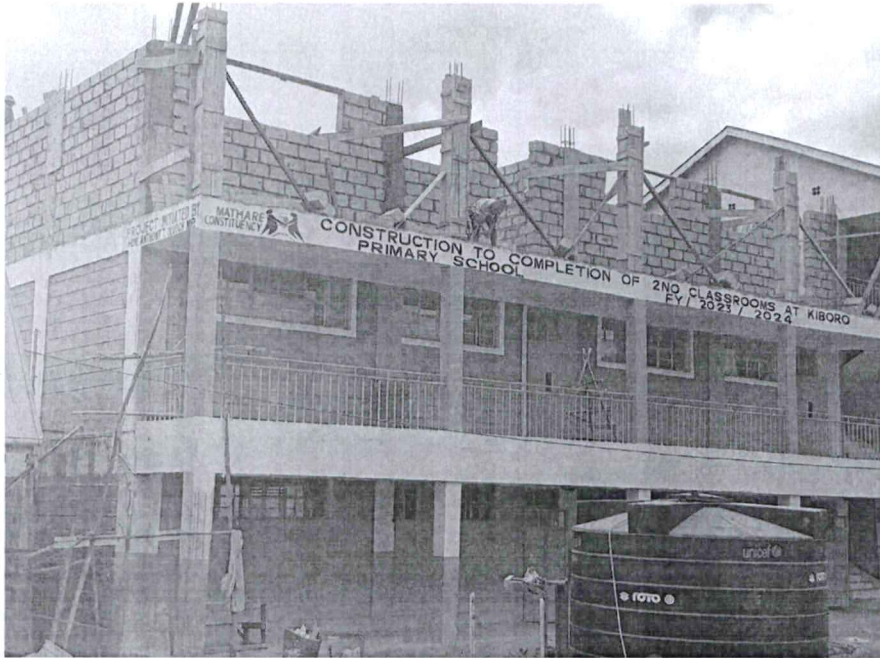
Our NG-CDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. Our NG-CDF have improved the Education infrastructure, Education bursary, Environment and Security infrastructures of Mathare Constituency through the various projects that we have

KEY ACHIEVEMENTS FOR THE ENTITY

During this financial, the committee has been able to change the outlook of several schools through rehabilitation/renovation as well as new construction of classrooms, offices and laboratories.as well as personal skills enhancement of many constituents many who are the jobless youths by offering free technical courses. Below are some of these key achievements:

1. KIBORO PRIMARY SCHOOL

We have also been able to construct at Kiboro primary a total of 2 no. classrooms where they are complete. We have been able to provide a conducive learning environment for our learners through reduction of congestion. Below are some of the action pictures: -



2. NDURURUNO SECONDARY SCHOOL

We have also been able to construct at Ndururuno Secondary a total of 6 no. classrooms where they are complete. We have been able to provide a conducive learning environment for our learners through reduction of congestion. Below are some of the action pictures: -



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3. ST TERESA'S GIRLS SECONDARY SCHOOL

We have also been able to construct at St Teresa's Girls Secondary a 500 capacity dormitory where they are ongoing. We have been able to provide a conducive learning environment for our learners through reduction of congestion. Below are some of the action pictures: -



4. DAIMA PRIMARY SCHOOL

We have also been able to construct at Daima Primary school a modern Kitchen where it is ongoing. Below are some of the action pictures: -



5. MATHARI SECONDARY SCHOOL

We have also been able to construct at Mathari Secondary a total of 6 no. classrooms where they are complete. We have been able to provide a conducive learning environment for our learners through reduction of congestion. Below are some of the action pictures: -



EMERGING ISSUES, IMPLEMENTATION CHALLENGES AND RECOMMENDATIONS

The financial year 2024-2025 had some project implementation challenges like delayed funding which led to delayed implementation of projects.

Additionally, delay in approval of various projects from the board also led to delayed implementation of projects.

Timely approval and funding of projects from the board may help to curb the above stated challenges.

As chairman, Mathare constituency, it has been a pleasure working for Mathare Constituency watching it bloom and implement the projects for its constituents as it is changing lives. It's my belief that Mathare will thrive.

.....
Name: Martin Shikuku Peter
Chairman NGCDF Committee

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

Introduction

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

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

- i. To act as an overarching Constituency development framework for guiding socio-economic transformation between 2023 and 2028.
- ii. To Provide a local framework for actualizing the achievement of the Big 4 agenda and the Kenya vision 2030.
- iii. To Reduce inequality through equitable distribution of resources across the wards within the constituency.
- iv. To Create a firm foundation for socio-economic transformation through education and security infrastructural development.
- v. To Enhance local resource mobilization from other development partners and actors within and outside the constituency.
- vi. To Facilitate annual planning and budgeting for the identified projects that will spur development in the constituency, and facilitate annual review of plans and budgets to track progressing implementation and draw lessons for incorporation in subsequent planning and budgeting.
- vii. To Provide a framework for continuous monitoring and systematic evaluation of development projects.

Mission

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

Vision

Equitable Socio-economic development countrywide

Progress on the attainment of Strategic development objectives

For purposes of implementing and cascading 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:

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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	We have increased number of classrooms by 14. In FY 24/25 - we constructed 6 classrooms in Mathari Secondary school, 2 classrooms at Kiboro primary school and 6 classrooms in Ndururuno primary school Bursary budget increased from kshs.63, 000,000 to kshs.65,000,000.
Security	To ensure adequate security of life and property to Mathare residents and visitors.	The level of security has improve	No of physical infrastructure in security facilities	In the FY 24/25 – we are constructing a new police camp at Mabatini ward to cater for 2,000 residents.
Climate change mitigation activities	To enhance afforestation and water conservation and harvesting by planting indigenous tress and installation of water tanks and construction of tank base and fixing of gutters.	Percentage of trees planted and water harvested.	Number of trees and tanks purchased.	Trees purchased and planted in various institutions. Tanks purchased, distributed to various institutions, installed and in use.
Emergency	To cater for any unforeseen occurrences	Increased risk management skills	- High level of response to any risk and	In the financial 24/25 Mathare NG-CDFc has managed to repair and construct a sewer

National Government Constituencies Development Fund (NGCDF)

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		-Develop a structural mechanism to handle risks and emergency	emergency occurrence	line at St Teresa's secondary school and Salama primary school and Daima primary school.
Others (Specify)	To improve access to technology, resources and information, drive innovation and create employment through digital jobs.	Percentage of youths in the Constituency trained and benefitted.	Number of youths who have benefitted from the digital trainings.	ICT Hub built and equipped. Installation of Laptops pending

6. Governance Statement

Introduction

The NGCDF Act 2016 on appointment of NGCDFC member's states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

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

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

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

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

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- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a

Constituency Committee in accordance with guidelines issued by the Board.

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

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A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Mathare Constituency, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected. The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board coopts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

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

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

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NGCDF office to carry out an appointment of the new committee.

THE KENYA GAZETTE

Mathare NG-CDFCs members approval,

NAME	ROLE	DATE OF GAZETEMENT
Martin Shikuku Peter	Male Youth Representative	16 th Dec 2022
Peter Njoroge Kamau	Male Adult Representative	16 th Dec 2022
Nancy Anyango Osiche	Female Youth Representative	16 th Dec 2022
Mwanaisha Joel Adhiambo	Female Adult Representative	16 th Dec 2022
Diramu Wario	Representative of the Persons Living with Disability	16 th Dec 2022
Jared Omondi Ondiek	Mominee of the Constituency Office (Male)	16 th Dec 2022

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Magdalene Masila	Kalonde	Nominee Constituency (Female)	of the Office	16 th Dec 2022
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- NG-CDFC members remuneration rates are as follows:
 - i. NG-CDFC Chairperson – Ksh 7,000 per meeting
 - ii. NG-CDFC members- Kshs 5,000 each per meeting.

Removal of NGCDFC Members

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

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Mathare the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal. However, the previous committee exited after the end of parliamentary term.

Roles and functions of NG-CDFC

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

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

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- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Mombasa on 14th – 20th May 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Mathare.

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Number of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2024/2025 the NGCDFC Mathare held 24 meetings through the year as illustrated as follows;

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Schedule of meetings held during the FY 2024/2025

S.No	NG-CDFC COMMITTEE MEMBERS	5/7/24	22/7/24	2/8/24	25/8/24	6/9/24	13/9/24	4/10/24	28/10/24	8/11/24	19/11/24	2/12/24	19/12/24	13/1/24	27/1/24	6/2/24
1	Martin Shikuku Peter	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mwanaisha Jole Odhiambo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Peter Njoroge Kamau	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Nancy Anyango Osiche	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Diramu Wario	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Jared Omondi Ondiek	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Magdalene Kaloudu Masila	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Elizabeth Nyandia Wanjohi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Catherine Kanini Kamathai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Olympia Musonye	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Conduct and Ethics of a Committee member

Chapter six of the Constitution on leadership and integrity requires state officers to be guided in their day-to-day conduct by principles of leadership and integrity which, among other requirements, include: Being objective and impartial in ensuring that decisions are not influenced by nepotism, favoritism, corruption or other improper motives. NGCDF Mathare regularly trains its committee members on commitment to abide to this Chapter six of the Constitution.

Ethics and code of conduct

The NG-CDFC members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention the act and other law, policy regulations that govern operations of NG-CDF.

Risk Management

The constituency has a risk policy which they observe and are required to maintain a risk register. The committee has the following responsibilities

- Identifying risks,
- Analyse risks,
- Prioritization of risk,
- A solution for implementation is sort,

Monitored.

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7. Management Discussion and Analysis

1. Operational and Financial Performance (2021–2025)

Over the past five financial years, Mathare Constituency has maintained a strong record in the efficient utilization of Constituency Development Funds (CDF) for social development projects. The Fund has been focused on enhancing education infrastructure, climate change mitigation, security, and youth empowerment.

Annual Fund Allocation and Utilization

F/Y	CDF Allocation (KES Million)
2020/21	137,116,879.31
2021/22	137,088,879
2022/23	151,960,174
2023/24	184,129,901
2024/25	188,414,052

Key Highlights:

- Average utilization rate of **65.8%** across 5 years.
- More than **100 projects** successfully implemented.
- Enhanced transparency through regular community forums and performance reviews.

2. Key Projects Implemented

Education Sector

- **School Infrastructure:** Construction of over **65 new classrooms**, **2 modern science laboratories**, and **10 administration blocks** in public schools including Mabatini and Huruma secondary.
- **Bursary Programme:** Disbursed over **KES 237,870,724 million** to more than **30,000 students** in secondary schools, TVETs, and universities between 2021 and 2025.

Water and Sanitation

- **Sanitation:** Upgraded sanitation facilities in nearly all public primary schools within the constituency.

ICT and Youth Empowerment

- **Ngei ICT Hub:** Established a digital innovation hub offering computer literacy, coding classes, and business incubation services. Over **500 youth trained** since 2024.

3. Statutory Compliance and Financial Accountability

The Fund has adhered strictly to statutory regulations as outlined in the **Public Finance Management Act** and **CDF Act**. Key compliance measures include:

- **Annual Audit Reports:** Received qualified audit opinions for five consecutive years (2021–2025).
- **Procurement Compliance:** All procurements carried out in line with **Public Procurement and Asset Disposal Act**.

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- **Timely Bursary Disbursements:** All bursary allocations completed within the first quarter of each academic year.

4. Major Risks and Mitigation Strategies

Risk	Impact	Mitigation Measures
Delay in national disbursements	Slows project execution	Prioritization of ongoing projects; phased rollout
Vandalism of public assets	Loss of school equipment	Community policing and CCTVs in hotspots
Poor contractor performance	Delays and substandard work	Prequalification, performance bonds, strict penalties
Inflation/Cost escalation	Budget overruns for materials and labor	Early procurement and supplier framework contracts

5. Material Arrears in Statutory and Financial Obligations

As of 30th June 2025:

- **Statutory Obligations:** All tax and regulatory remittances up to date.
- **Bursary Arrears:** Nil – All disbursements up to date.

6. Review of the Economy and Sector (Local Context)

Economic Trends

- Mathare's proximity to Juja Road and Nairobi has made it a fast-growing urban center.
- Growth in **real estate, small-scale trade, and higher education** has stimulated local economic activity.
- Cost of living pressures in 2025 affected household incomes and increased bursary demand.

Sector-Specific Developments

- Education sector growth with new private institutions and increased enrollment.
- Water demand rising due to population pressure.
- Emerging potential for ICT and agribusiness among youth and SMEs.

7. Future Development Plans (2024–2027)

The Fund's strategic outlook is aligned with Vision 2030 and includes:

Project Area	Planned Activities
Education	Construct 50 more classrooms; equip 10 labs
Youth Empowerment	Expand ICT hub to include mobile app training
Environment and Climate	Initiate tree-planting and waste recycling program
Water Projects	Drill 2 boreholes and install storage tanks

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Project Area	Planned Activities
Security	Build more security offices

8. Conclusion

Mathare Constituency has shown strong financial discipline, efficient project delivery, and responsiveness to community needs. With a forward-looking plan that emphasizes education, technology, youth development, and infrastructure, the Constituency is well-positioned to continue driving inclusive and sustainable development.

The Constituency Office remains committed to transparency, community involvement, and results-driven development.



.....
Name: Olympia Musonye
Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

Mathre NG-CDFC strategic Environmental agenda recognizes the provisions of the NG-CDF Board Strategic Plan and the National Environmental Management Authority (NEMA) guidelines. The NEMA Performance Contract Guidelines for all Ministries, Departments and Agencies (MDAs) provide that institutions undertake planning, implementation, monitoring and Audit of the projects to ensure compliance with and enforcement of the constitution and other statutory obligations relating to environmental sustainability.

As a Constituency, we ensure that Project Management Committees (PMC) continue to prioritize and improve environmental sustainability projects. We also Encourage Community participation in identification, protection, and conservation of environment by carrying out environmental awareness programs. Despite of our effort, delayed approval and funding of projects hindered the effectiveness of this. However, we provided environmental awareness whenever we went for project handover. We also took the opportunity to sensitize the students and pupils in the respective institution on the effects of drug abuse and HIV.

3. Employee welfare

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

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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-

Mathare 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-

Mathare 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

Mathare 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

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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.

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



.....
Name: Olympia Musonye
Fund Account Manager.

9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF- Mathare Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

**National Government Constituencies Development Fund (NGCDF)
Mathare Constituency**

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

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

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

Approval of the financial statements

The NGCDF- Mathare Constituency financial statements were approved and signed by the Accounting Officer on 16/10/2025.



.....
Name: Martin Shikuku Peter
Chairman – NGCDF Committee



.....
Name: Olympia Musonye
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Mathare Constituency set out on pages 1 to 61, 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

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

accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Mathare 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 National Government Constituencies Development Fund Act, 2015 (Amended 2023) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

The statement of financial position reflects cash and cash equivalents balance of Kshs.102,019,428 as disclosed in Note 19 to the financial statements. However, the statement of cash flows reflects a cash and cash equivalents balance of Kshs.100,584,428 as at 30 June, 2025 resulting in an unreconciled variance of Kshs.1,435,000. Further, the statement of cash flows reflects net cash flow from operating activities totalling Kshs.22,675,874 while the reconciliation of cash generated from operations under Note 30 to the financial statements reflects a net cash flow of Kshs.23,835,874. The variance of Kshs.1,160,000 was not explained or reconciled.

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

2. Stalled Office Vehicle

Annex 1 to the financial statements reflects summary of asset register with historical costs totalling Kshs.55,713,312 which includes transport equipment valued at Kshs.4,650,495. Discussion with Management revealed that the Fund is in possession of one motor vehicle Reg GKB 808 Isuzu Dmax. However, further inquiry established that the vehicle had not been in operation for over two (2) years. In addition, no documentation was provided for non-utilization, or evidence of efforts made to repair or dispose of the stalled motor vehicle.

In the circumstances, the accuracy and existence of property, plant and equipment balance of Kshs.55,713,312 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final budget and actual on comparable basis of Kshs.410,925,157 and Kshs.350,511,105 respectively, resulting to an under-funding of Kshs.60,414,052 or 15% of the budget. Similarly, the Fund spent Kshs.248,353,955 against actual receipts of Kshs.350,511,105 resulting to an under expenditure of Kshs.102,157,150 or 29% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, 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 National Government Constituencies Development Fund - Mathare Constituency in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Unsupported Project Management Committee Balances
2	2023/2024	Unutilized Funds

Other Information

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

In connection with my audit on the National Government Constituencies Development Fund - Mathare Constituency financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or

otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Employees Costs

1.1 Non - Compliance with Minimum Requirement on Employee Ethnic Balance

The statement of financial performance reflects employee costs totalling Kshs.5,201,850. However, review of the Fund employee records revealed that the dominant ethnic community employed constitutes 50% of the total population of sixteen (16) staff employed by the Fund. This was contrary to Section 7(1) and (2) of National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and no public establishment shall have more than one third of its staff from the same ethnic community.

1.2 Non-Adherence to Regularity and Integrity on Recruitment of Persons Living with Disabilities

Review of the Fund's Human Resource records revealed a total of sixteen (16) employees. However, there is no employee living with disability. This was contrary to Section 21(1) of the Persons with Disability Act, 2025; which requires that no employer shall discriminate against a person with disability in job application procedures, hiring, advancements and other terms, conditions and privileges of employment.

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

2. Failure to Maintain Imprest Register

Review of the cashbook for the main account revealed that imprests amounting to Kshs.1,800,000 were issued during the year. However, there was no imprest register

provided for audit. Further, evidence or record of memorandum cashbook to record all receipts and payments of standing imprest was not provided for audit. It was also noted that standing imprest is replenished every month. However, no record of evidence of an abstract and analysis of its memorandum cashbook, and originals of the supporting payment vouchers were not provided for audit review.

This was contrary to Section 93(4)(c) of Public Finance Management Act, 2015 which provides that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for.

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

3. Unbalanced Budget

The statement of comparison of budget and actual amounts reflects total budgeted revenue and expenditure of Kshs.410,925,157 and Kshs.412,406,502 respectively resulting to a variance of Kshs.1,481,345 which indicates an unbalanced budget. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations that at all times during budget formulation and approval it must be ensured that the budget shall be balanced.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


14 November, 2025


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

	Note	FY 2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		188,414,052
Expenses		
Employee costs	10	5,201,850
Committee expenses	11	2,054,950
Use of Goods and Services	12	12,438,694
Other Government Units Actual expenditure	13	161,430,176
Other Grants and Transfers Actual expenditure	14	55,608,146
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		236,733,816
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(48,319,764)

The Constituency financial statements were approved by the NGCDFC on 18/10 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Martin Shikuku Peter


 National Sub-County
 Accountant
 Name: Conelius Kimori
 ICPAK M/No: 17636


 Fund Account Manager
 Name: Olympia Musonye

National Government Constituencies Development Fund (NGCDF)
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12. Statement Of Financial Position As At 30th June, 2025

	Note	FY 2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	102,019,428	77,908,554
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	60,414,052	130,560,172
Prepayments	22	-	-
Total Current Assets		162,433,481	208,468,727
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		162,433,481	208,468,727
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	1,710,000	865,462
Lease Liabilities	28	-	-
Gratuity Provision	29	2,928,260	1,763,280
Total Current Liabilities		4,638,260	2,628,742
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		4,638,260	2,628,742
Net Assets (A-B)		157,520,221	205,839,985


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Represented by:			
Revaluation Reserves		157,520,221	205,839,986
Accumulated Surplus			
Total Net Assets		157,520,221	205,839,986


The Constituency financial statements set out on pages 1 to 3 approved by NG CDFC on 16/18/ 2025 and signed by:



 Chairman NG-CDF
 Committee
 Name: Martin Shikuku Peter



 National Sub-County
 Accountant
 Name: Conelius Kimori
 ICPAK M/No: 17636



 Fund Account Manager
 Name: Olympia Musonye

National Government Constituencies Development Fund (NGCDF)
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13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	56,420,378		56,420,378
Adjustments			
Recognition of Assets	152,048,348		152,048,348
Recognition of Liabilities	2,628,742		2,628,742
As at July 1, 2024	205,839,985		205,839,985
Surplus/(Deficit) For the Period	(48,319,764)		(48,319,764)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (current year)	157,520,221	-	157,520,221

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.

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

	Notes	FY 2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		258,560,172
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		258,560,172
Payments		
Employee costs		4,036,870
Committee expenses		2,054,950
Use of Goods and Services		12,438,694
Other Government Units Certified Works		161,745,638
Other Grants and Transfers		55,608,146
Digital Hubs Expenses		-
Total Payments		235,884,298
Net Cash Flows from/ (used in) Operating Activities	30	22,675,874
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		22,675,874
Cash Flows from Financing Activities		

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Lease Payment		
Net Cash Flows from Financing Activities		22,675,874
Cash and cash equivalents at 1 July 2024	19	77,908,554
Cash and cash equivalents at 30 June 2025	19	100,584,428

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>FY 2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>FY 2024/2025</i>	<i>FY 2024/2025</i>		
Revenue							
Transfers From the NGCDF Board	188,414,052	77,908,554	130,560,172	396,882,778	336,468,726	60,414,052	84.78
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	14,042,379	-	14,042,379	14,042,379	-	
Totals	188,414,052	91,950,933	130,560,172	410,925,157	350,511,105	60,414,052	85.30
Expenses							
Employee costs	4,546,325	3,479,060	-	8,025,384	4,036,870	3,988,514	50.30
Committee expenses	3,267,725	1,499,725	-	4,767,450	2,054,950	2,712,500	43.10
Use of Goods and Services	9,143,215	4,354,611	-	13,497,826	12,438,694	1,059,132	92.15
Other Government Units Certified Works	25,482,807	72,040,454	107,560,172	205,083,433	175,772,199	29,311,233	85.71
Other Grants and Transfers	109,710,412	12,016,050	23,000,000	144,726,462	54,051,241	90,675,220	37.35
Digital Hubs Expenses	5,652,422		-	5,652,422	-	5,652,422	0.00

*National Government Constituencies Development Fund (NGCDF)
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	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>FY 2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>FY 2024/2025</i>	<i>FY 2024/2025</i>		
Funds Pending Approval**	30,611,147	42,379	-	30,653,526	-	30,653,526	0.00
Total Expenditure	188,414,052	93,432,278	130,560,172	412,406,502	248,353,955	164,052,548	60.22
Surplus for the period							

The underutilization at 60.22% as indicated was due to late disbursement of funds from the exchequer. We are working closely with the Board to ensure in subsequent years the allocated funds will be disbursed on time.

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Explanatory Notes.

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	162,433,481
Less undisbursed funds receivable from the Board as at 30 th June 2025	60,414,052
Cash and Cash Equivalents at the end of the 30 th June 2025	102,019,429

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 16/10/ 2025 and signed by:



Name: Olympia Musonye



Name: Conelius Kimori
ICPAK M/No: 17636



Name: Martin Shikuku Peter

National Government Constituencies Development Fund (NGCDF)
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16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,546,325	3,479,060		8,025,384	4,036,870	3,988,514
1.2 Committee allowances	1,499,725	1,499,725		2,999,450	1,227,225	1,772,225
1.3 Use of goods and services	5,258,793	3,386,611		8,645,404	8,642,519	2,885
Sub-total	11,304,843	8,365,396	-	19,670,239	13,906,614	5,763,625
2.0 Monitoring and evaluation				-		
2.1 Capacity building	3,031,757			3,031,757	2,774,720	257,037
2.2 Committee allowances	1,768,000			1,768,000	827,725	940,275
2.3 Use of goods and services	852,665	968,000		1,820,665	1,021,455	799,210
Sub-total	5,652,422	968,000	-	6,620,422	4,623,900	1,996,522
3.0 Emergency				-		
Equity Bank (Salama Primary School)	6,816,529			6,816,529	6,800,000	16,529
Equity Bank (Daima Primary School)	2,200,000			2,200,000	2,200,000	-
St Teresa's Secondary School	900,000			900,000	900,000	-
Unutiles Fund		91,047		91,047		91,047

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	9,916,529	91,047	-	10,007,576	9,900,000	107,576
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	40,000,000	3,246,000		43,246,000	3,246,000	40,000,000
5.3 Tertiary Institutions	15,000,000	3,755,179		18,755,179	14,913,000	3,842,179
5.4 special needs	10,000,000			10,000,000		10,000,000
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	65,000,000	7,001,179	-	72,001,179	16,909,000	55,092,179
7.0 Environment						
7.1 Deputy County Commissioner Office	2,267,603			2,267,603		2,267,603
7.2 Ndururuno Primary School	2,500,000	950,000		3,450,000	950,000	2,500,000
7.3 KMTC Mathari	2,300,000			2,300,000		2,300,000
7.4 St Teresa's Secondary School	2,300,000			2,300,000		2,300,000
7.5 Old Mathare Secondary School		1,755,597		1,755,597	1,754,750	847
7.6 Huruma Police Station		977,000		977,000	975,500	1,500

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	9,367,603	3,682,597	-	13,050,200	3,680,250	9,369,950
8.0 Primary Schools Projects						
Huruma Primary School (JSS)	14,000,000			14,000,000		14,000,000
Daima Primary School	3,101,600		48,006,250	51,107,850	47,720,464	3,387,386
Kiboro Primary School	1,666,666		3,000,000	4,666,666	4,493,656	173,010
Salama Primary School	1,500,000	4,597,581		6,097,581	6,095,072	2,509
KIBORO PRIMARY SCHOOL 18 PMC		11,967		11,967	-	11,967
HURUMA SCHOOL PMC - ST THERESA		486		486	-	486
KIBORO DEVELOPMENT PMC		7,811		7,811	-	7,811
VALLEY BRIDGE PRIMARY PMC		663,414		663,414	652,330	11,084
NDURURUNO PRIMARY PMC		15,433		15,433	-	15,433
HURUMA PRIMARY PMC		153,533		153,533	150,115	3,418
DAIMA PRIMARY SCHOOL CDF PMC		4,536		4,536	-	4,536
ST TERESA,S GIRLS PRIMARY SCHOOL		15,427,525		15,427,525	14,000,000	1,427,525
Mabatini Primary School		3,323,898	28,000,000	31,323,898	31,320,803	3,095

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	20,268,266	24,206,182	79,006,250	123,480,698	104,456,356	19,024,342
9.0 Secondary Schools Projects (List all the Projects)						
St. Theresa Secondary School PMC	5,214,541	23,270,483	14,730,393	43,215,417	43,205,832	9,585
OLD MATHARE SECONDARY PMC		526,143		526,143	463,132	63,011
NDURURUNO SECONDARY PMC		35,000		35,000	275,000	(240,000)
HURUMA SECONDARY PMC		2,645		2,645	-	2,645
Ndururuno Secondary School		14,000,000		14,000,000	13,545,902	454,098
Mathari Secondary School			13,823,529	13,823,529	13,823,332	197
Sub-total	5,214,541	37,834,271	2553,922	71,602,734	71,315,438	289,536
10.0 Tertiary institutions Projects (List all the Projects)						-
TVET Institution		10,000,000		10,000,000		10,000,000
				-		-
Sub-total	-	10,000,000	-	10,000,000	-	10,000,000
11.0 Security Projects						

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
AP Camp	25,426,280			25,426,280	-	25,426,280
Jitume Huduma Centre, ICT Hub and Administration Chief's Office			23,000,000	23,000,000	21,835,896	1,164,104
HURUMA AP CAMP PMC		3,430		3,430	-	3,430
HURUMA POLICE STATION PMC		3,629	-	3,629	-	3,629
HURUMA CHIEF OFFICE		25,410		25,410	-	25,410
NATIONAL YOUTH SERVICE MABATINI PMC		690		690	-	690
NATIONAL YOUTH SERVICE HOSPITAL PMC		690		690	-	690
NATIONAL YOUTH SERVICE MLANGO KUBWA PMC		7,380		7,380	-	7,380
Hospital National Youth service office		600,000		600,000	598,000	2,000
Mabatini National Youth service office		600,000		600,000		600,000
Sub-total	25,426,280	1,241,227	23,000,000	49,667,507	22,449,713	27,217,793
12.0 Acquisition of assets						
12.1)			-	-		-

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.2 Purchase of furniture and fittings		-	-	-		-
12.2 Construction of CDF office		-			-	-
Sub-total	-	-	-	-	-	-
13.0 Others						
ICT Hub at Ngei ward Jitume Huduma Centre, ICT Hub and Administration Chief's Office	5,652,422			5,652,422		5,652,422
Sub-total	5,652,422	-	-	5,652,422	-	5,652,422
Funds pending approval**				-		-
unapproved projects	30,611,147	-		30,611,147		30,611,147
AiA	-			-		-
Sub-total	30,611,147	-	-	30,611,147	-	30,611,147
Total	188,414,052	91,908,554	130,560,172	410,882,778	248,491,677	162,391,102

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Mathare Constituency principal activity is infrastructure development.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements (entity to state the transitional provisions it has applied, and the steps being taken towards full compliance with IPSAS Accrual).

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets

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and Equipment	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.
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
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>

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<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. 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.

iii. Early adoption of standards

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

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 17*

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.

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

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6. Transfers from the NGCDF Board

Description	FY 2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	188,414,052
Total	188,414,052

7. Transfers from domestic and foreign partners

Description	FY 2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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10. Employees cost

	<i>FY 2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,780,440
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,164,980
Employer Contributions Compulsory national social security schemes	192,960
Employer Contributions Compulsory Housing levy	56,370
Employer contributions to National Industrial Training Authority	7,100
Other Specify	-
Total	5,201,850

11. Committee Expenses

	<i>FY 2024/2025</i>
	Kshs
Sitting allowance	1,227,225
Other Committee expenses	827,725
Total	2,054,950

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12. Use of Goods and services

	<i>FY 2024/2025</i>
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	749,000
Domestic travel and subsistence	1,296,516
Printing, advertising and information supplies & services	753,000
Office Rent	-
Training expenses	2,474,720
Hospitality supplies and services	383,338
Insurance costs	-
Specialized materials and services	900,000
Office and general supplies and services	4,163,665
Fuel, oil & lubricants	250,000
Bank charges	240,110
Routine maintenance – vehicles and other transport equipment	197,000
Routine maintenance – other assets	-
Strategic plan expenses	
Other operating expenses	1,031,345
Total	12,438,694

13. Other Government Units Actual expenditure

Description	<i>FY 2024/2025</i>
	Kshs
Primary Schools Actual expenditure	89,880,110
Secondary Schools Actual expenditure	71,550,066
Tertiary Institutions Actual expenditure	-
Total	161,430,176

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14. Other Grants and transfers Actual expenditure

	<i>FY 2024/2025</i>
	Kshs
Bursary – secondary schools	3,246,000
Bursary – tertiary institutions	14,913,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	23,593,896
Climate change mitigation projects	3,955,250
Emergency projects Actual expenditure	9,900,000
Roads projects Actual expenditure	-
Others specify	-
Total	55,608,146

15. Depreciation and Amortization Expenses

Description	<i>FY 2024/2025</i>
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

Description	<i>FY 2024/2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	-

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17. Gain/loss on Sale of Assets

Description	FY 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	FY 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.	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	94,666,461	56,420,378
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	577,220	-
<i>Name of Bank, account No. (PMC accounts)</i>	6,775,747	21,488,176
Total	102,019,428	77,908,554
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

[Provide Cash Count Certificates for Each]

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

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	FY 2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	60,414,052		130,560,172	
Outstanding imprest	-		-	
Total	60,414,052		130,560,172	
Ageing Analysis- Receivables from non-exchange transactions	FY 2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

22. Prepayments

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

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23. Property, Plant and Equipment

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

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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 2025.

22 b) Property, Plant and Equipment at Cost

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

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

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

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

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24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 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				

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

26. Trade and Other Payables

Description	FY 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 2024/2025	% of the Total	1st July 2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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27. Third-Party deposits

	Period ended June 2025	Opening Statement
		1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)	865,462	-
Retention held during the period (B)	6,264,707	865,462
Retention paid during the period (C)	5,420,169	-
Closing Retention as at period 30 th June 2025, D= A+B-C	1,710,000	865,462

Retentions aging analysis.

	Insert Current FY 2025	% of the total	Insert Comparative FY 2024	% of the total
Less than 1 year	-	%	0	%
1-2 years	1,710,000	100	865,462	100%
2-3 years	-	%	0	%
Over 3 years	-	%	0	%
Total	1,710,000		865,462	

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

28. Lease Liabilities

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

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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>Insert Current FY 2025</i>	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the year 1 st of July	1,763,280	-
Gratuity held during the year	1,164,980	1,763,280
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	2,928,260	1,763,280

30. Cash Generated from Operations

	FY 2024/2025
	Kshs
Surplus for the period before tax	(48,319,764)
Adjusted for:	
Depreciation	-
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	70,146,120
Changes in deferred income	-
Changes in Third party deposits	844,538
Changes in gratuity provision	1,164,980
Changes in payments received in advance	-
Net cash flow from operating activities	23,835,874

(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 (2024/2025)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	60,414,053	-	-
Bank balances	-	-	-	-
Total	-	60,414,053	-	-
As at 30 June (2023/2024)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	130,560,172	-	-
Bank balances	-	-	-	-
Total	-	130,560,172	-	-

(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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2024/2025)				
Trade payables	-	-	-	-
Current poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	2,928,260	-
Total	-	-	2,928,260	-
As at 30th June (2023/2024)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
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 2024/2025

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

Foreign currency sensitivity analysis

Current FY

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

Financial Risk Management

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

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

Sensitivity analysis

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

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percentage point as a decrease/increase of Kshs (Current FY: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (Current FY – Kshs)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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As at 30 th 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

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	Insert Current FY 2024/2025	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	-	-

32. Related Party Disclosures

	<i>Insert current FY 2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,227,225	2,047,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	258,560,172	245,898,771
Total	259,787,397	247,945,771

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	Insert Current FY 2024/2025	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 Mathare 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.

18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	27,550,000			27,550,000
Buildings and structures	4,650,495			4,650,495
Transport equipment	246,631			246,631
Office equipment, furniture, and fittings	2,376,681			2,376,681
ICT Equipment and Other ICT Assets	20,889,505			20,889,505
Other Machinery and Equipment				
Intangible assets				
Total	55,713,312			55,713,312

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

PMC	Bank	Account number	Bank Balance Current FY 2024/2025	Bank Balance Comparative FY 2023/2024
JITUME HUDUMA CENTRE	EQUITY	1770286266412	1,164,104	
MATHARI SECONDARY SCHOOL	EQUITY	1770285986193	197	
NDURURUNO SECONDARY SCHOOL	EQUITY	1770285986083	454,098	
MABATINI PRIMARY SCHOOL	EQUITY	1770285986039	3,095	
KIBORO PRIMARY SCHOOL 18 PMC	EQUITY	020279744805	11,967	
ST TERESA,S GIRLS PRIMARY SCHOOL	EQUITY	1770284852515	1,427,525	15,427,525
ST TERESA,S GIRLS SECONDARY SCHOOL	EQUITY	1770284852591	9,585	876
SALAMA PMC	EQUITY	1770279835038	2,509	4,597,581
DAIMA PRIMARY SCHOOL PMC	EQUITY	1770285618993	3,387,386	4,536
KIBORO PRIMARY SCHOOL	EQUITY	1770286014965	173,010	11,967
HURUMA CHIEF OFFICE	EQUITY	1770284162576	25,410	25,410
HURUMA PRIMARY SCHOOL	EQUITY	1770280726375	3,418	153,533
NDURURUNO PRIMARY SCHOOL	EQUITY	1770278214169	15,433	15,433.22
NDURURUNO SECONDARY SCHOOL	EQUITY	1770282991181	35,000	35,000
OLD MATHARE SECONDARY SCHOOL	EQUITY	1770277748538	63,011	676,143
HURUMA SCHOOL PMC - ST THERESA	EQUITY	1770277480671		486
KIBORO DEVELOPMENT PMC	EQUITY	1770277480709		7,811

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PMC	Bank	Account number	Bank Balance Current FY 2024/2025	Bank Balance Comparative FY 2023/2024
HURUMA SECONDARY PMC	EQUITY	1770277613205		2,645
HURUMA AP CAMP PMC	EQUITY	1770277747669		3,430
VALLEY BRIDGE PRIMARY PMC	EQUITY	1770277755789		663,414
HURUMA POLICE STATION PMC	EQUITY	1770278516658		3,629
NATIONAL YOUTH SERVICE MABATINI PMC	EQUITY	1770284599693		690
NATIONAL YOUTH SERVICE HOSPITAL PMC	EQUITY	1770284599671		690
NATIONAL YOUTH SERVICE MLANGO KUBWA PMC	EQUITY	1770284599709		7,380
Total			6,775,748	21,488,176

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																				
1	Review of the financial statements revealed variances	The management has noted the above observation. The error has been noted and rectified as shown in the attached updated financial statement.	Not Resolved																					
	<table border="1"> <thead> <tr> <th>Description</th> <th>Comparative Balances 2023-2024 (Kshs.)</th> <th>Audited Balances 2022/2023 (Kshs.)</th> <th>Variances (Kshs.)</th> </tr> </thead> <tbody> <tr> <td>Statement of Receipts and Payments</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Payments</td> <td>72,442,154</td> <td>73,216,254</td> <td>(774,100)</td> </tr> <tr> <td>Surplus/(Deficit)</td> <td>14,557,846</td> <td>13,783,746</td> <td>774,100</td> </tr> <tr> <td>Kiboro Primary School PMC</td> <td>831,967</td> <td>119,751</td> <td>712,216</td> </tr> </tbody> </table>				Description	Comparative Balances 2023-2024 (Kshs.)	Audited Balances 2022/2023 (Kshs.)	Variances (Kshs.)	Statement of Receipts and Payments				Total Payments	72,442,154	73,216,254	(774,100)	Surplus/(Deficit)	14,557,846	13,783,746	774,100	Kiboro Primary School PMC	831,967	119,751	712,216
	Description				Comparative Balances 2023-2024 (Kshs.)	Audited Balances 2022/2023 (Kshs.)	Variances (Kshs.)																	
	Statement of Receipts and Payments																							
	Total Payments				72,442,154	73,216,254	(774,100)																	
	Surplus/(Deficit)				14,557,846	13,783,746	774,100																	
Kiboro Primary School PMC	831,967	119,751	712,216																					
between 2022/2023 audited financial statements and 2023/2024 opening balances as analysed below;																								
In the circumstances, the accuracy of comparative balances, could not be confirmed.																								

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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)
2	<p>Review of the financial statements provided for audit against the IPSAS ledgers revealed the following variances;</p> <p>(i) The Opening balances for PMC account - Kiboro Primary school is indicated as Kshs. 831,967. Review of the PMC bank statement revealed that the opening balance was Kshs. 11,967.</p> <p>(ii) Old Mathare secondary school PMC account balance for the year 2023/2024 is indicated as Kshs. 526,143. Review of the bank statement revealed a balance of Kshs. 676,143.</p> <p>(iii) The financial statements reflect at Note 19.3 funds pending approval Kshs. 97,399,030 against Annex 3 amount of Kshs. 161,052,683 resulting to unexplained variance of Kshs. 63,653,653.</p> <p>(iv) Note 19.3 to the financial statements also shows total unutilized funds amount of Kshs. 113,326,897 and Kshs. 116,344,601 for 2023/2024 and 2022/2023 respectively. However, Annex 3 which reflects details of unutilized funds shows Kshs. 176,980,550 and Kshs. 76,299,157 for 2023/2024 and 22022/2023 respectively. The resulting variances of</p>	<p><i>i. The management has noted the above observation. The error has been noted and rectified as shown in the attached updated financial statement.</i></p> <p><i>ii. The management has noted the above observation. The error has been noted and rectified as shown in the attached updated financial statement.</i></p> <p><i>iii. The management has noted the above observation. The error has been noted and rectified as shown in the attached updated</i></p>	Not 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)
3	<p>Kshs. 63,653,653 and Kshs. 40,045,444 between balances reflected in Note 19.3 and Annex 3 to the financial statements were not explained.</p>	<p>iv. The management has noted the above observation. The error has been noted and rectified as shown in the attached updated financial statement.</p>	Not Resolved	
	<p>The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers amount of Kshs. 95,000,000 which includes transfer of Kshs. 10,000,000 to tertiary institutions. This amount is not supported by respective PMC bank accounts and respective minutes of opening the PMC accounts.</p> <p>In the circumstances, the transfer of Kshs. 10,000,000 to tertiary institutions, could not be confirmed.</p>	<p>The above concern has been noted. NG-CDF Mathare voted and allocated kshs 10,000,000 for the Technical and Vocational College which was to be co-funded between Ministry of Education and NG-CDF Mathare. The Ministry later notified us that the account doesn't belong to the benefiting institution.</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>The mother institution was not clearly communicated earlier by the Ministry to receive the money. Afterwards, it was noted that the Ministry sent the other amount hence there was need to reverse the payment. Thus we undertook the action of stopping the transaction for a while as we waited for the Ministry to provide the rightful account which they failed to provide hence we reversed the transaction.</p>		
4	<p>Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank accounts balance of Kshs. 21,488,176. However, the cashbooks and bank reconciliation statements for the individual PMC accounts were not provided for audit.</p>	<p>The management has noted the above observation. At the time of the audit, we had not yet finalized the preparation of the</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>individual PMC cashbooks and bank reconciliation statements. This was due to delays caused by logistical challenges and the need to gather complete documentation from all PMC accounts. We are currently in the process of compiling and preparing the cashbooks and bank reconciliation statements for each PMC account.</p>		

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Name *Olympia Musingye*
 Fund Account Manager.