

REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY


OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – LUGARI
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID		
DATE:	11 FEB 2026	DAY: Wednesday
TABLED BY:	Hon. (Dr.) Robert Pukose on behalf of Leader of Majority	
CLERK-AT-THE-TABLE:	Lornale	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

LUGARI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

Table of Contents

Page

1. Acronyms and Definition of Key Terms	ii
2. Key Constituency Information and Management	iii
3. NGCDF Committee.....	vii
4. NG-CDFC Chairman’s Report	x
5. Statement of Performance Against Predetermined Objectives for FY 2024/25.....	xv
6. Governance Statement.....	xviii
7. Management Discussion and Analysis	xxvii
8. Environmental and Sustainability Reporting	xxxi
9. Statement Of Management Responsibilities	xxxvi
10. Report Of the Independent Auditor on the NGCDF- Lugari Constituency	xxxviii
11. Statement of Financial Performance for the Year Ended 30th June 2025.....	1
12. Statement of Financial Position As At 30th June, 2025	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025	4
14. Statement Of Cash Flows for The Year Ended 30th June 2025	5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025	6
16. Budget Execution by Sectors And Projects For The Year Ended 30 th June 2025	9
17. Notes to the Financial Statements	22
18. Annexes.....	61

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Lugari 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	Perez Anyango
2.	National Sub-County Accountant	Joseph Onsarigo
3.	Chairman NGCDFC	Wycliffe Soita
4.	Member NGCDFC	Oliver Amuko
5.	Member NG CDFC	John Sabuni

(c) Fiduciary Oversight Arrangements

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

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

(d) NGCDF Lugari Constituency Headquarters

NGCDF Offices
Lugari Sub-county Headquarters
Lumakanda
Kenya.

(e) NGCDF Lugari Constituency Contacts

P.O. Box 700
Telephone: (254) 722612112
E-mail: cdflugari@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Lugari Constituency Bankers

1. Operations Account
KCB Webuye Branch – A/C No. 1312925418
P.O. Box 322 Webuye
2. Deposit account
KCB Webuye Branch – A/C No. -
P.O. Box 322 Webuye
3. Project Management Committees Accounts
KCB Webuye Branch
P.O. Box 322 Webuye




(g) Independent Auditor

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

(h) Principal Legal Adviser

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


3. NGCDF Committee

Name	Details
 Mr. Wycliffe K. Soita -Chairman	<p>He was born on 04/04/1979. He is a holder of an O'level certificate, from Misemwa Secondary School. He joined NGCDF Lugari Constituency in December, 2022, as a mele adult representative.</p> <p>Mr. Soita has been a farmer in Chevaywa Ward, Lugari Constituency for over 10 years.</p> <p>He is currently serving as the Chairman for the NGCDFC.</p>
 Mr. Oliver Amuko Member	<p>He was born on 03/06/1973. He is a holder of an O'level certificate from St. Pauls Lugari Boys High School. He joined NGCDF Lugari Constituency in December, 2022, as a Male Constituency Office Nominee.</p> <p>Mr. Amuko is a renowned Business man in Makutano Market, in Mautuma Ward, Lugari Constituency, for many years.</p> <p>He is the of the Bursary Vetting Committee</p>
 Ms. Winnie Kageha Secretary	<p>She was born on 19/02/1986. She is a holder of an O'level certificate from Kaimosi Girls High School. She joined NGCDF Lugari Constituency in December, 2022, as a female Constituency Office Nominee.</p> <p>Ms. Kageha is a renowned Business man in Makutano Market, in Mautuma Ward, Lugari Constituency, for 5 years.</p> <p>She is currently serving as the Secretary of the NGCDFC.</p>

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

 <p>Mrs Mispella Mulari Member</p>	<p>She was born on 30/01/1970. She is a holder of a Diploma in ECD from Kakamega Dicece, having worked as an ECD teacher for 15 years before joining politics and serving as an Nominated MCA in Kakamega County, 2012-2017</p> <p>She joined Lugari NGCDF in December, 2022 as a female adult representative to date</p>
 <p>Mrs. Beatrice Shirandula Member</p>	<p>She was born on 1/01/1962. She is a holder of a Diploma in Social Studies with a vast experience in Community Development having worked as a Pastor with the KAG Church for 7years.</p> <p>She joined the NGCDF Lugari Constituency in December 2017 to date</p> <p>She is a member of the NGCDFC , a nominee of the Board</p>
 <p>Mr. Abraham Otieno Member</p>	<p>He was born on 23/10/1988. He is a holder of an O'level certificate, from Mufutu Secondary School. He joined the NGCDF Lugari in December, 2022 as male youth representative, a position he held until December, 2024 after the expiry of the 2-year tenure for the NGCDFC.</p> <p>He is a farmer in Lugari Ward, Lugari Constituency.</p>
 <p>Ms. Nelly Alivitza Member</p>	<p>she was born on 02/07/1990. She is a holder of an O'level certificate, from Namusasi Secondary School. She joined the NGCDF Lugari Constituency in December, 2022 as a female youth representative.</p> <p>Ms. Alivitza is a renowned farmer, specializing in animal husbandry for 8 years.</p> <p>She is currently serving as a member of the NGCDFC as female youth representative.</p>



Mr. John Sabuni Member

He was born on 12/06/1978. He is a holder of an O'level Certificate, from Maturu Secondary School. He joined the NCDFC Lugari Constituency in December 2022, as a PWD representative having been seconded to the position by Pamoja SHG, a registered and vibrant PWD group in the Constituency

He is a peasant farmer in Mayoyo Sub-location, Lugari Constituency.

He is currently serving as an NGCDFC member, representing PWDs.



Mr. Simon Kiprono DCC

was born on 30/06/1965. He is a holder of a Bachelor of Arts Degree from Moi University. He has worked as a DCC in many parts of the country from 1995 to 2025.

Mr. Kiprono has worked in the civil service as public administrator for over 30 years, gaining skills and building networks that came in handy during his tenure in Lugari Sub-county.

He was a member of the NGCDF Committee for one year, upto June, 2025 when he retired.



Perez Anyango FAM

She is a holder of a Bachelor of Commerce Degree (Finance) from Catholic University, a CPA (K) and CPS (K) from Strathmore University, with vast experience in Public Finance Management, having worked in the Public Sector for over 15 years.

She is currently working with the NGCDF Board as a Fund Account Manager a position she has held since July 2014.

She is an Ex-officio member of the NGCDFC Lugari Constituency since November, 2022 to date.

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

S/No.	Name	Period
1.	Abraham Otieno Kuria	December, 2022 – December, 2024

4. NG-CDFC Chairman's Report



Mr. Wycliffe Soita
Chairman, NGCDFC Lugari Constituency

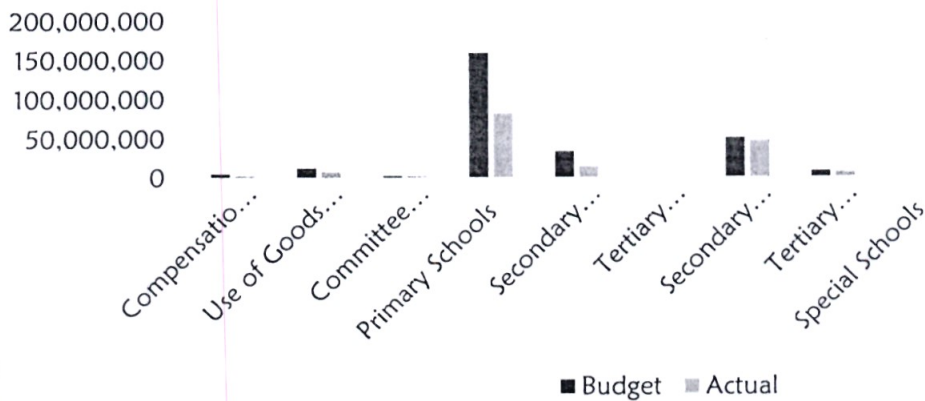
It is my pleasure to present to you Lugari NGCDF annual report and Financial Statements for the financial year 2024/2025.

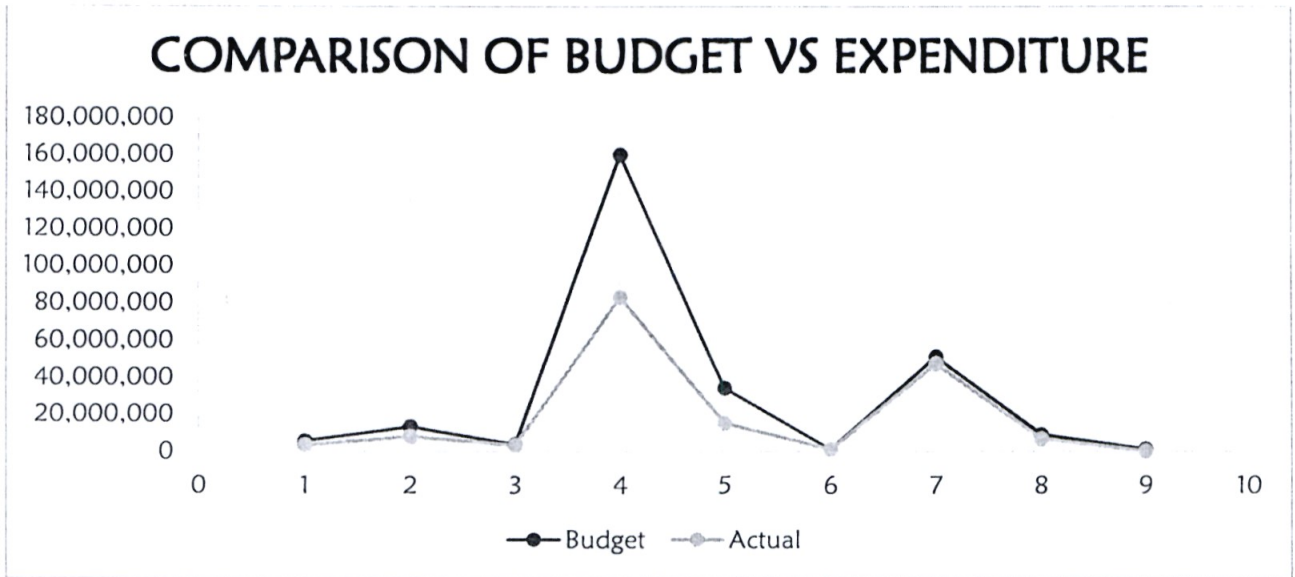
In the year under review, our overall performance has improved compared to last financial year due to increased disbursement of funds from the NGCDF Board since we received 70% of our allocation within the Financial Year.

The total Budget for the Financial Year under review was Kshs 188,414,052. A balance of Kshs 84, 250,384 still remained outstanding from the Board in FY 2023/2024 which was received during the Financial Year under review. In total we had Kshs 302,186,218 available for expenditure this Financial Year whose expenditure has been summarized in the tables and charts below:

Sector	Sub-Sector	Budget	Actual
Administration	Compensation of Employees	5,511,692	3,232,087
	Use of Goods and services	13,178,068	7,802,983
	Committee Expenses	3,547,246	3,130,300
Education	Primary Schools	159,639,247	82,822,712
	Secondary Schools	33,971,558	15,111,942
	Tertiary Institutions	1,005,806	996,210
Bursary	Secondary Schools	51,050,000	47,210,060
	Tertiary Institution	9,000,000	6,571,000
	Special Schools	1000,000	0

BUDGET VS ACTUAL EXPENDITURE PER SECTOR





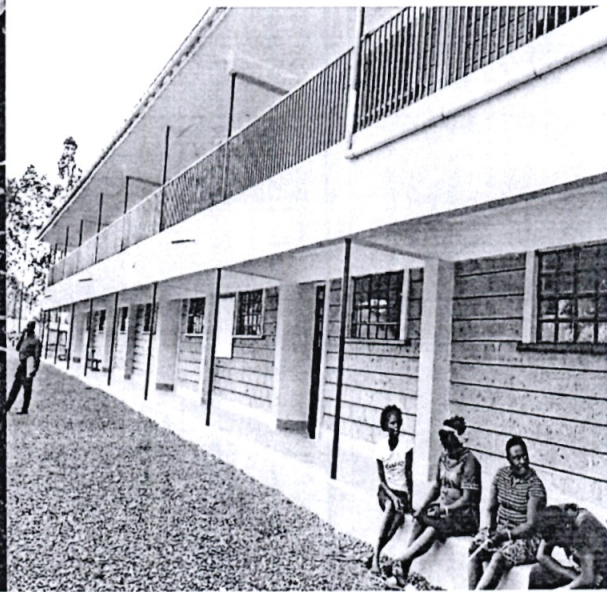
From the above analysis, the performance of NG-CDF Lugari has been exemplary given the circumstances. This is attributed to teamwork among the NG-CDFC and the various stakeholders, a conducive working environment and support from other stakeholders including the NGCDF Board, the National Treasury, the Public Works Departments, and the Constituency Office among others.

We commit to performing better in the subsequent Financial Years owing to various interventions taken by Management at both the National and Local levels, aimed at improving performance.

The notable achievements during the year under review include:

1. NGCDF Lugari funded construction of additional classrooms that reduced the challenges that the various schools were facing more so the Junior Secondary Schools.
2. Bursaries were issued to over 8,000 needy students across the constituency, some of whom are fully sponsored, because they are orphaned, needy and vulnerable. The students, who would otherwise be out of School due to fee problems, were able to learn without much interruption.
3. Improved learning environment for the learners.
4. The public has embraced and supported many of the Projects we are implementing since they are involved from inception through Public participation and implementation through PMCs whose members are drawn from the local community.

Below is a pictorial presentation of some the achievements made:



Before

After

Locho Primary School



Before

After

Mugunga Primary School - Newly renovated 9No. classrooms

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

Emerging Issues

- Increased pressure from Lugari residents on the entrenchment of NGCDF into the Act for fear of missing out on the benefits they have enjoyed incase the Fund is scrapped.

Despite the achievements we have registered in the FY 2024/2025, we encountered several challenges including but not limited to:

- Underfunding of the Budget leading to delayed Project implementation. We have continuously liaised with the Board to ensure 100% compliance during Project Proposal presentation.
- Legal hurdles that have challenged the legality of the Fund leading to negative publicity and threatened the going concern of the NGCDF. We have held successful public participation meetings during the FY under review to entrench NGCDF in the Constitution. We believe the various institutions involved will take up the matter and proceed with the exercise to a successful conclusion.
- Lack of understanding of the NGCDF Programs by some of the stakeholders. However, we have incorporated them in our trainings so as to help them understand how the Fund operates and enhance seamless operations.

Way Forward

- We are seeking for partnerships to help us overcome funding gaps due to the overwhelming number of funding proposals we receive and the limited resources at our disposal.



.....

Wycliffe Soita

Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the **NGCDF Lugari Constituency 2022-2027** plan are to:

1. Enhance equitable distribution of NGCDF resources within the constituency so as to promote balanced development.
2. Improve infrastructure in learning institutions
3. Improve performance of students in National Examinations
4. Improve economic conditions of the local population by encouraging them to take part in project implementation at various levels
5. Ensure inclusivity in Project identification and implementation through public participation.
6. Promote Government policy on 100% transition by supporting the poor and vulnerable students to pursue their education.

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all	Increased	number of	In FY 2024/25 - we

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

	children of school going age attending school	enrolment in primary schools and improved transition to secondary schools and tertiary institutions	usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	improved infrastructure in Schools through construction of classrooms, dormitories, laboratories etc in the following institutions <ul style="list-style-type: none"> • Kwambu Primary School (3) • Muyugi Primary School (5) • Mugunga Primary School (9) • Mlimani Primary School (6) • Panpaper Primary School (8) • Makhukhuni Primary School (8) • Mukhalanya Primary School (9) <p>Bursary beneficiaries at all levels were as per the attached schedules</p>
Environment	Promote environmental sustainability implementation of environmentally friendly Project	Implementation of environmentally friendly projects	Number of environmentally friendly project	In FY 2024.2025 we allocated funds for Kshs 420,000 for planting of trees in the following Institutions @Kshs 70,000 <ul style="list-style-type: none"> • Mugunga Primary School • Mautuma Boys Secondary School • St. Cecilia Girls High School • Mukuyu Girls Sec. School • Lukhokho Girls High School • KMTC Lugari
Emergency	Mitigate effects of unfortunate	Swift response to emergency	Number of emergency cases	In FY 2024/2025 we responded to two

	incidences to the local persons as and when they occur		addressed	emergencies subsequently mitigating the effects of the negative effects of the incidences in the following Institutions: <ul style="list-style-type: none">• St. Francis Majengo Priamry School• Chevaywa TTI• Makonge Primary School• Archbishop Njenga Girls High School
--	--	--	-----------	---

6. Governance Statement

Background

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

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

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

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

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is be the secretary of the selection panel

Further the NG CDF regulations requires that for one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

a. NG-CDFC process of appointment

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

(1) The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established

under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

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

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

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

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

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

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

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

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

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

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

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

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

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

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

S/No.	Name	Category representation	Ward
1.	Wucliffe Kalombo Soita	Male (Adult)	Chevaywa Ward
2.	Oliver Amuko Sande	Constituency Office Nominee (Male)	Mautuma
3.	Winnie Kageha	Constituency Office Nominee (Female)	Lugari
4.	Nelly Alivitza Sale	Female (Youth)	Lumakanda
5.	Mispella Mulari Musanya	Female (Adult)	Lwandeti
6.	Abraham Otieno Kuria	Male (Youth)	Lugari

Nominee of the person representing persons with disability

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	John Sabuni	National Council Of People Living With Disability	Amputee	Lwandeti

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Beatrice Shiradula	Female	Chekalini

The list of the selected and recommended members was forwarded to the NG_CDF Board and were further gazetted through a gazette notice dated 17st December, 2022.

The Lugari NG - CDFC Members were gazetted as follows:

S/N	Name	Category	Statutory Provision Under NG-CDF Act
1.	Wycliffe K. Soita	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
2.	Oliver Amuko Sande	Constituency Office Nominee - Male	Appointment, pursuant to Sec. 43 (2) (b)
3.	Nelly Alivitza Sale	Female Youth Representative	Appointment, pursuant to Sec. 43 (2) (c))
4.	Mispella Mulari Musanya	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c)
5.	John Sabuni	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)
6.	Abraham Otieno Kuria	Male Youth Representative	Appointment Pursuant to Sect. 43 (2)(e)
7.	Winnie Kageha	Constituency Office Nominee - Female	Appointment Pursuant to Sect. 43 (2)(e)

The First NG-CDFC in augural meeting was held on 21st December, 2022. The members carried out an election for the position of a chairperson and the secretary of the committee. The following member were elected.

	NAME	POSITION	WARD
1	Wycliffe Soita	Chairperson	Chevaywa
2	Winnie Kageha	Secretary	Lugari

NG-CDF Regulations Section 7(6) & (7) requires that the first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board and in establishing sub-

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

committees. Under paragraph 5, constituency Committee shall ensure that there is equitable representation

The Committees were constituted as follows;

1. Bursary Sub-committee

	NAME	POSITION
1.	Sub-County Director of Education	Chairperson
2.	Perez Anyango - FAM	Secretary
3.	Oliver Amuko	Member
4.	John Sabuni	Member
5.	Winnie Kageha	Member

2. Complaint Handling & Resolution Sub-Committee

	NAME	POSITION
1.	Simon Kiprono - DCC	Chairperson
2.	Perez Anyango - FAM	Secretary
3.	Wycliffe Soita	Member
4.	Beatrice Shirandula	Member

b. NG-CDFC Tenure

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

The Committee is serving from December 2022 to date until the gazettelement of the new Committee as per the provisions of the NGCDF Act.

c. The Role of the Constituency Committee

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.

- iii. List of projects to be submitted in accordance with the Act to be submitted to the 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.

d. Removal of a member

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

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Lugari Constituency the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

Handing Over

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was carried out smoothly and successfully on 7th January, 2023.

e. NG-CDFC Induction and training

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Lugari.

f. Number of meetings

Schedule of meetings held during the FY 2024/2025

N	Name of committee member	02/07/2024	26/07/2024	16/08/2024	31/08/2024	12/09/2024	29/09/2024	17/10/2024	11/11/2024	31/11/2024	07/12/2024	19/12/2025	18/01/2025	13/02/2025	26/02/2025	25/03/2025	04/04/2025	29/04/2025	13/05/2025	27/05/2025	25/06/2025
1	Wycliffe Soita Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Winnie Kageha Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Perez Anyango FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Abraham Otieno Male Youth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Nelly Alivitza Female Youth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Mispella Mulari Female Adult	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Oliver Amuko Constituency office Nominee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Beatrice Shirandula Nominee of the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Simon Kiprono	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	DCC																		
10	John Sabuni PWD Rep.	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance Kshs. 7,000 per meeting and all other members an allowance of Kshs.5, 000 per sitting.

All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In the FY under review, the NGCDFC members adhered to the cabinet secretary’s circular on members sitting and field allowances.

h. Disclose the policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NGCDFC Lugari South contravened conflict of interest policy.

i. Succession plan

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

j. Ethics and 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

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

act in contravention the act and other law, policy regulations that govern operations of NGCDF.

k. Risk Management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations. Embracing the Enterprise Risk Management system and attesting to monthly, quarterly bi-annually and annually compliance and key risk indicators questions, implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification

7. Management Discussion and Analysis

NGCDF Lugari Constituency developed the current strategic plan, covering a period of five years (2023-2027). The strategic plan is embedded within Kenya's development agenda. It captures all the frameworks of the constituency.

Operational and financial performance

Below is a table showing financial years' allocations per sector:

Item	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	Kshs.	Kshs	Kshs	Kshs
Administration and Recurrent	8,225,332	9,117,610	11,059,794	11,304,843
Monitoring and Evaluation	4,112,666	4,558,805	5,499,897	5,652,421
Primary Projects	34,830,000	69,926,360	105,558,850	80,277,713
Secondary Projects	11,133,333	5,300,000	14,600,000	19,792,546
Tertiary Institutions	2,311,787	-	1,000,000	-
Security Projects	12,800,000	1,998,200	-	-
Bursary and Social Security	37,000,000	40,000,000	56,000,000	61,050,000
Emergency	7,192,207	7,636,191	9,691,047	9,916,529
Climate Change & Mitigation	2,741,777	3,039,203	1,040,796	420,000
Strategic Plan	-	3,500,000		
Other Paymets	14,000,000			
Oversight Committee	-	1,519,601		
Sports	2,741,777	3,039,203	-	-
TOTALS	137,088,879	151,960,174	204,450,384	188,414,052

Expenditure

Item	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	Kshs.	Kshs	Kshs	Kshs
Administration and Recurrent	8,397,258	6,893,041	10,656,053	8,961,054
Monitoring & Evaluation	5,331,382	4,455,688	3,811,500	4,996,066
Primary Projects	41,630,000	3,900,000	105,867,359	

National Government Constituencies Development Fund (NGCDF)


Lugari Constituency


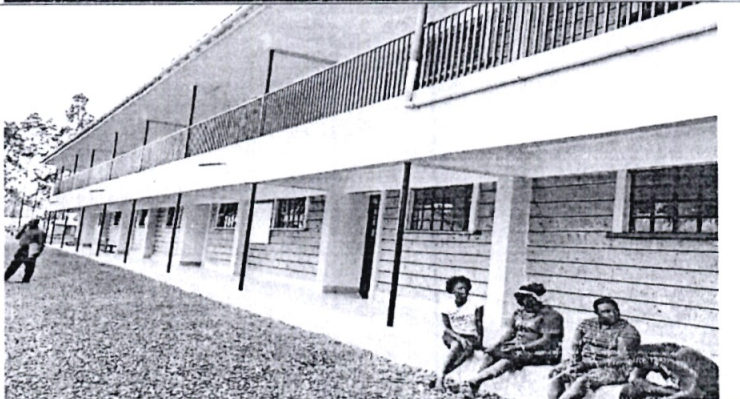
Annual Report and Financial Statements for The Year Ended June 30, 2025

				83,303,643
Secondary Projects	12,537,913	2,605,968	6,406,463	15,962,472
Tertiary Projects	2,311,787	-	-	996,210
Security Projects	12,800,000		2,398,000	81.882
Bursary and Social Security	55,323,413	44,508,416	63,727,575	53,781,060
Emergency	7,192,207	6,122,000	8,900,000	4,789,242
Climate Change & Mitigation	2,512,815	228,481	3,309,204	2,920,513
Strategic Plan	-	3,500,000		
Oversight Committee	-		-	-
Sports	2,,741,777	3,039,203	-	-
TOTALS	179,084,749	75,252,598	204,880,654	175,792,142

Key Projects

The Constituency had three major Secondary School projects which were completed and in use.

PROJECT NAME	ACTIVITY	PHOTO	STATUS
Primary School	Tekoa Primary School – Construction of Tuition block		Complete and in use

<p>Special School</p>	<p>Mukuyu Special School – Construction of 200 - capacity dormitory</p>		<p>Complete and in use</p>
<p>Primary School</p>	<p>Panpaper Primary School – Construction of Tuition Block</p>		<p>Complete and in use</p>

Compliance with Statutory Requirements

The Constituency has fully complied with statutory requirements and has no arrears in statutory and other financial obligations. The Projects implemented are also in accordance with the Thirs Schedule of the Constitution that demarcates functions of the National Government and the County Governments.

Major Risks Facing the Fund

- Inadequate human resource capacity
- Inadequate awareness of NG CDF functions
- High poverty and dependency rates
- Dilapidated road network in some parts of the constituency
- Poor security and administration infrastructure in the constituency

National Government Constituencies Development Fund (NGCDF)

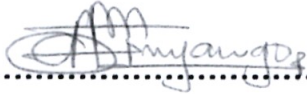
Lugari Constituency

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

Review of the Economy

The Constituency is expected to increase enrolment in primary schools and improved transition to secondary schools and tertiary institutions in the education sector by construction of more structures and provision of bursaries. Further; to improve access to more sustainable environment through climate change and mitigation activities. In addition, constituency focuses to provide better working environment for security providers in the constituency.

A part from the key projects indicated above, Lugari NG-CDF has also improved infrastructure in several other institutions across the constituency including the recent matching fund arrangement with the Ministry of Education for construction of Junior Secondary School classrooms.



.....

Name: Perez Anyango
Fund Account Manager

8. Environmental and Sustainability Reporting

Environmental matters relates to mitigation of the climate change effects that has been put forward as a government agenda.

The recent amendment of NGCDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NGCDF Fund. Lugari NG-CDF in its budget for Financial year 2024-2025 allocated Ksh 420,000 towards purchase of tree seedlings to be planted in six institutions across the constituency.

1. Sustainability strategy and profile -

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

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

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

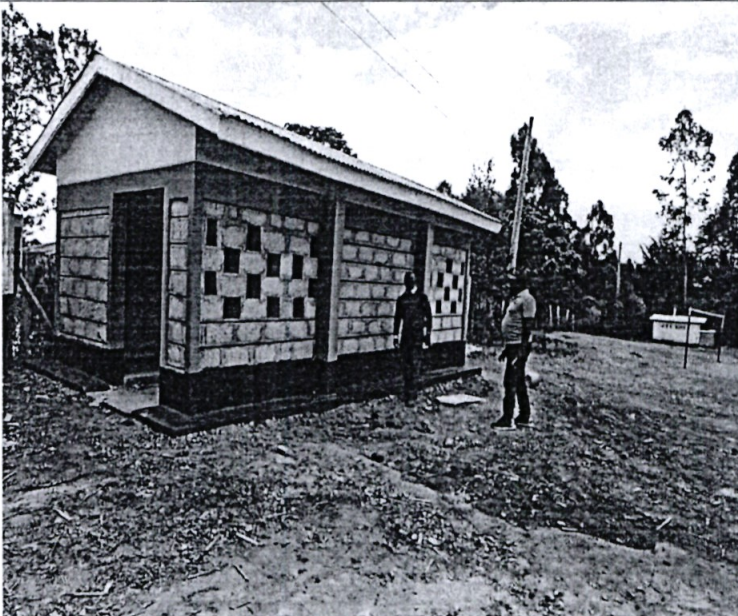
Annual Report and Financial Statements for The Year Ended June 30, 2025


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

In an effort to mitigate effects of climate change and promote sustainable environment, the NGCDF Lugari Constituency has implemented several environmental Projects including, planting of trees during Project launches, installation of rain water harvesting goods in all schools with new Projects and construction of eco-toilets in Schools.

The pictures below illustrate the NGCDF activities and Projects on environmental sustainability:

PROJECT NAME	ACTIVITY	PHOTO	STATUS
Mautuma DEB Primary School	Construction of eco-toilet		Complete and in use

<p>Mahiga Primary School</p>	<p>NGCDF Project with rain water harvesting installations</p>		<p>Complete and in use</p>
------------------------------	---	--	----------------------------

3. Employee welfare

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

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Lugari 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-

Luagri 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

Lugari Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan.

The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

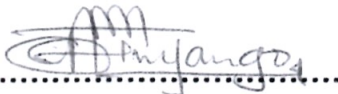
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

Public Awareness

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

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



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

The Accounting Officer in charge of the NGCDF Luagri 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- Lugari Constituency financial statements were approved and signed by the Accounting Officer on 20/11 2025.



Name: Wycliffe Soita
Chairman – NGCDF Committee

Name: Perez Anyango
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 - LUGARI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Lugari Constituency set out on pages 1 to 72, which comprise of the statement of financial position as at 30 June, 2025 and

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Lugari Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Public Finance Management Act, 2012, the National Government Constituencies Development Fund Act, 2015 (Amended 2023) and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Misstatement of Opening Balances

1.1 Third Parties Deposits Balance

The statement of financial position reflects third-party deposits balance of Kshs.1,894,658 as disclosed in Note 27 to the financial statements. However, the opening balance as at 01 July, 2024 reflects third-party deposits balance of Kshs.563,197 which differs with the previous year audited financial statements for the year ended 30 June, 2024 balance of Kshs.471,197 resulting in an unreconciled and unexplained variance of Kshs.92,000.

In the circumstances, the completeness, existence and valuation of the third-party deposits balance of Kshs.1,894,658 could not be confirmed.

1.2 Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents opening balance of Kshs.28,951,082 as at 01 July, 2024 as disclosed in Note 19 to the financial statements. The balance includes Project Management Committee (PMC) balance of Kshs.12,820,221 which differs with the previous year audited financial statements for the year ended 30 June, 2024 balance of Kshs.12,311,550 resulting in an unreconciled and unexplained variance of Kshs.508,671.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents opening balance of Kshs.28,951,082 could not be confirmed.

1.3 Gratuity Provision

The statement of financial position reflects gratuity provision opening balance of Kshs.1,079,050 as disclosed in Note 29 to the financial statements. However, the balance differs with previous year audited financial statements for the year ended 30 June, 2024 balance Kshs.221,959 resulting in an unreconciled and unexplained variance of Kshs.857,091.

In the circumstances, the existence, rights and obligations, and valuation of the gratuity provision opening balance of Kshs.1,079,050 could not be confirmed.

1.4 Receivables from Non-Exchange Transactions Balance

The statement of financial position reflects receivables from non-exchange transactions opening balance of Kshs.84,802,084 as at 01 July, 2024. However, previous year audited financial statements for the year ended 30 June, 2024 reflects a balance of Kshs.84,450,384 resulting in unexplained variance of Kshs.351,700.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions opening balance of Kshs.84,802,084 could not be confirmed.

1.5 Fund Balance

The statement of changes in net assets reflects fund balance as at 30 June, 2024 of Kshs.16,130,861. However, the previous year audited financial statements for the year ended 30 June, 2024 reflects a balance of Kshs.15,437,705 resulting to unexplained variance of Kshs.693,156.

In the circumstances, the accuracy and completeness of opening fund balance of Kshs.16,130,861 as at 30 June, 2024 could not be confirmed.

2. Unsupported PMC Account Balances

The statement of financial position and as disclosed in Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.68,804,235, which includes Project Management Committee (PMC) account balances Kshs.35,150,109. However, the PMC account balances totaling Kshs.8,272,823 were not supported by certificate of bank balances as at 30 June, 2025.

In the circumstances, the accuracy, completeness and existence of the PMC account balances of Kshs. 8,272,823 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund-Lugari 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 receipt budget and actual amounts on comparable basis of Kshs.302,186,218 and Kshs.243,772,166 respectively, resulting in an under-funding of Kshs.58,414,052 or 19% of the approved budget. Further, the Fund expended an amount of Kshs.176,087,141 against the budget of Kshs.302,186,217 resulting in under-expenditure of Kshs.126,099,076 or 42% of the approved budget.

In the circumstances, the under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several issues were reported under Emphasis of Matter, Other Matter and Report on Lawfulness and Effectiveness in the Use of Public Resources as detailed in **Appendix I**. However, Management has not resolved the issues or given reasons for the delay in resolving the issues.

Other Information

Management is responsible for the Other Information set out on page iii to xxxvii which comprise of Key Constituency Information and Management, NGCDF Committee, NGCDFC Chairman's Report, Statement of Performance Against Predetermined Objectives for Financial Year 2024-2025, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and 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 Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Transition from Cash to Accrual Accounting Framework

Review of the implementation of cash basis to accrual basis of accounting roadmap at the Fund revealed that the accounting officer of the Fund did not establish a cash to accrual transition committee at the entity level and did not appoint a project manager to oversee the transition. Further, a detailed roadmap outlining the key milestones at the entity level had not been developed as required by The National Treasury and Economic planning circular Ref. Treasury circular No.3/2025 of 14 April, 2025.

In the circumstances, Management was in breach of The National Treasury Circular.

2. Delayed Completion of Construction of Classrooms

The Fund Management entered into a contract for the construction of eight (8) classrooms at a contract sum of Kshs.24,685,437 on 8 November, 2024 for a period of three months. As at the time of the audit, the Fund had paid an amount of Kshs.7,370,483. Physical verification conducted on 11 September, 2025 revealed that the contractor was on site and the structure was constructed up to the first floor at the ring beam level. The contract period had lapsed and contractor was operating outside the contract.

This was contrary to Section 68(1) of the Public Finance Management Act, 2012 which provides that an accounting officer for a national government entity, Parliamentary Service Commission and the Judiciary shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the accounting officer are used in a way that is lawful and authorize and effective, efficient, economical and transparent.

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 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 control, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance 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

02 December, 2025

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

Appendix I: Unresolved Prior Year Matters


No.	Title of Audit Issue
	Emphasis of Matter
	Budgetary Control and Performance
	Other Matter
	Unresolved Prior Matters
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Failure to Report Utilization of Emergency Funds
2	Lack of Criteria for Bursary Award

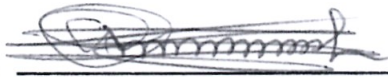
*National Government Constituencies Development Fund (NGCDF)
Lugari Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

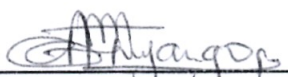
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	19,000
Total revenue		188,433,052
Expenses		
Employee costs	10	3,023,837
Committee expenses	11	3,542,000
Use of Goods and Services	12	7,391,283
Other Government Units Actual expenditure	13	100,262,325
Other Grants and Transfers Actual expenditure	14	61,572,697
Depreciation and amortization expense	15	143,023
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		175,935,165
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		12,497,888

The Constituency financial statements were approved by the NGCDFC on 20/11 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Wycliffe Soita


 National Sub-County
 Accountant
 Name: George Okeyo
 ICPAK M/No:11728


 Fund Account Manager
 Name: Perez Anyango



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

12. Statement of Financial Position As At 30th June, 2025

	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	68,804,235	28,951,082
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	58,414,052	84,802,084
Prepayments	22	-	-
Total Current Assets		127,218,288	113,753,166
Non-Current Assets			
Property, Plant and Equipment	23	588,164	436,188
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		588,164	436,188
Total Assets (A)		127,806,452	114,189,353
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	1,894,658	563,197
Lease Liabilities	28	-	-
Gratuity Provision	29	866,800	1,079,050
Total Current Liabilities		2,761,458	1,642,247
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,761,458	1,642,247
Net Assets (A-B)		125,044,993	112,547,106
Represented by:			
Revaluation Reserves		125,044,994	112,547,106
Accumulated Surplus			
Total Net Assets		125,044,994	112,547,106

National Government Constituencies Development Fund (NGCDF)

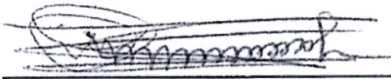
Lugari Constituency

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

The Constituency financial statements set out on pages 1 to 23 approved by NG CDFC on 20/11/2025 and signed by:



Chairman NG-CDF
Committee
Name: Wycliffe Soita



National Sub-County
Accountant
Name: George Okeyo
ICPAK M/No: 11728



Fund Account Manager
Name: Perez Anyango



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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024	-	16,130,861	16,130,861
Adjustments			
Recognition of Assets	98,058,492	-	98,058,492
Recognition of Liabilities	1,642,247	-	1,642,247
As at July 1, 2024	96,416,245	-	96,416,245
	^		^
Surplus/(Deficit) For the Period		12,497,888	12,497,888
Revaluation Gain/Loss		-	-
As at June 30, 2025	96,416,245	28,628,749	125,044,994

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.

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board	6	214,802,084
Transfers from domestic and foreign partners	7	-
Finance income	8	-
Miscellaneous income	9	19,000
Total Receipts		214,821,084
Payments		
Employee Costs	10	3,236,087
Committee expenses	11	3,542,000
Use of Goods and Services	12	7,391,283
Other Government Units Certified Works	13	98,930,864
Other Grants and Transfers	14	61,572,697
Digital Hubs Expenses	16	-
Total Payments		174,672,930
Net Cash Flows from/ (used in) Operating Activities		40,148,154
Cash flows From Investing Activities		
Proceeds From Sale of PPE	17	-
Purchase of PPE	23	295,000
Purchase of Intangible assets	24	-
Net Cash Flows from Investing Activities		295,000
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		-
Net increase/(decrease) in cash &Cash equivalents		39,853,154
Cash and cash equivalents at 1 July	19	28,951,082
Cash and cash equivalents at 30 June	19	68,804,235

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	188,414,052	28,951,082	84,802,084	302,167,218	243,753,166	58,414,052	81
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	19,000	-	19,000	19,000	-	100
Totals	188,414,052	28,970,082	84,802,084	302,186,218	243,772,166	58,414,052	81
Expenses							
Employee costs	3,490,680	2,021,012	-	5,511,692	3,023,837	2,487,855	55
Committee expenses	3,048,000	499,246	-	3,547,246	3,542,000	5,246	100

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Use of Goods and Services	10,418,584	2,759,484	-	13,178,068	7,391,283	5,786,785	56
Other Government Units Certified Works	98,570,259	12,935,202	83,111,390	194,616,851	100,262,325	94,354,527	52
Other Grants and Transfers	71,386,529	9,581,674	1,043,994	82,012,197	61,572,697	20,439,500	75
Digital Hubs Expenses		929,463	646,700	1,576,163	295,000	1,281,163	19
Funds Pending Approval**	1,500,000	244,000	-	1,744,000	-	1,744,000	-
Total Expenditure	188,414,052	28,970,081	84,802,084	302,186,217	176,087,141	126,099,076	58
Surplus for the period					67,685,024	(67,685,024)	

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

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

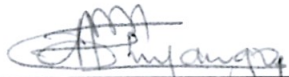
Explanatory Notes.

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

The Budget utilization difference below 90% was due to delays in disbursement of Funds by the Board. Out of Kshs 130,000,000 that was disbursed for FY 2024/2025, Kshs 22,000,000 was received in late June and could not be spent within the Financial Year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	126,099,076
Add PMC Payments less Retention	1,331,461
Less undisbursed funds receivable from the Board as at 30 th June 2025	58,414,052
Less Gratuity Deposit Paid	212,250
Cash and Cash Equivalents at the end of the 30 th June 2025	68,804,235

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 20/11/2025 and signed by:



Fund Account Manager

Name: Perez Anyango



National Sub-County Accountant

Name: George Okeyo
 ICPAK M/No: 11728



Chairman NG-CDF Committee

Name: Wycliffe Soita



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	3,490,680	2,021,012	-	5,511,692	3,023,837	2,487,855
1.2 Committee allowances	1,248,000	369,000	-	1,617,000	1,614,000	3,000
1.3 Use of goods and services	6,566,163	179,341	-	6,745,504	4,323,217	2,422,287
Sub-total	11,304,843	2,569,353	-	13,874,196	8,961,054	4,913,142
2.0 Monitoring and evaluation						
2.1 Capacity building	750,000	302,500	-	1,052,500	1,044,900	7,600
2.2 Committee allowances	1,800,000	130,246	-	1,930,246	1,928,000	2,246
2.3 Use of goods and services	3,102,421	2,277,643	-	5,380,064	2,023,166	3,356,898
Sub-total	5,652,421	2,710,389	-	8,362,810	4,996,066	3,366,744
3.0 Emergency						
3.1 Primary Schools	5,617,000.00	110,629	-	5,727,629	1,417,000	4,310,080

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
					-	
3.2 Secondary schools	1,774,000	104,589	-	1,878,589	1,774,000	105,138
3.3 Tertiary institutions	1,100,000	513,352	-	1,613,352	1,598,242	15,110
3.4 Unutilized	1,425,529	2,576,668	-	4,002,197	-	4,002,197
Sub-total	9,916,529	3,305,238	-	13,221,767	4,789,242	8,432,525
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	51,050,000	1,064,405	-	52,114,405	47,210,060	4,904,345
4.3 Tertiary Institutions	9,000,000	1,242,191	3,198	10,245,389	6,571,000	3,674,389
4.4 Special Schools	1,000,000	-	-	1,000,000	-	1,000,000
4.5 Social Security	-	821,126	-	821,126	-	821,126
Sub-total	61,050,000	3,127,722	3,198	64,180,920	53,781,060	10,399,860
5.0 Climate Change Mitigation						
5.1 Mukhalanya Primary School	-	759,970	-	759,970	758,967	1,003
5.2 Mukangu Primary School	-	759,800	-	759,800	752,591	7,209
5.3 Mautuma DEB Primary Sch	-	759,800	-	759,800	709,969	49,831
5.4 Panpaper Primary School	-	759,800	-	759,800	698,986	60,814

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.5 Mugunga Primary School	70,000	-		70,000	-	70,000
5.6 Mautuma Boys Secondary Sch	70,000	-		70,000	-	70,000
5.7 Mukuyu Girls Secondary Sch	70,000	-		70,000	-	70,000
5.8 St. Cecilia Girls Secondary Sch	70,000	-		70,000	-	70,000
5.9 Lukhokho Girls Sec Sch	70,000	-		70,000	-	70,000
6.0 KMTCC Lugari	70,000	-		70,000	-	70,000
6.1 Tekoa Primary School	-		260,199	260,199	-	260,199
6.2 Makhukhuni Primary School	-		260,199	260,199	-	260,199
6.3 Mahiga Primary School	-		260,199	260,199	-	260,199
6.4 Panpaper Primary School	-		260,199	260,199	-	260,199
Sub-total	420,000	3,039,370	1,040,796	4,500,166	2,920,513	1,579,653
6.0 Primary Schools Projects						
8.1 Locho Primary School	4,400,000	154,922	7,000,000	11,554,922	11,429,930	124,992
8.2 Tekoa Primary School					4,107,263	

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	4,400,000	606,724	-	5,006,724		899,461
8.3 Panpaper Primary School	4,400,000	35,826	-	4,435,826	4,227,586	208,240
8.4 Muhomo Primary School	6,000,000	1,026,514	3,822,641	10,849,155	7,580,354	3,268,801
8.5 Mahiga Primary School	5,800,000	4,844,094	-	10,644,094	5,757,126	4,886,968
8.6 Makhukhuni Primary School	7,100,000	138,813	-	7,238,813	4,000,701	3,238,112
8.7 Maturu Primary School	14,127,713	-	10,854,244	24,981,957	11,256,255	13,725,702
8.8 Mwivona Primary School	6,000,000	-	10,370,484	16,370,484	5,621,166	10,749,318
8.9 Kipkaren Rural Primary School	6,000,000	-	10,370,484	16,370,484	41,941	16,328,543
8.91 Lakebasin Primary School	4,050,000	-		4,050,000	-	4,050,000
8.92 St. Francis Majengo Primary School	3,000,000	-		3,000,000	-	3,000,000
8.93 Vuyika Primary School	7,000,000	-		7,000,000	-	7,000,000
8.94 St. Marys Girls Boarding Pri. School	3,000,000	-		3,000,000	-	3,000,000
8.95 Mapengo Primary School	2,000,000	-		2,000,000	-	2,000,000
8.96 Lumani Primary School					-	

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	1,000,000	-		1,000,000		1,000,000
8.97 Marula Primary School	2,000,000	-		2,000,000	-	2,000,000
8.97 Nzoia DEB Primary School	-	78,920	400,000	478,920	384,516	94,404
8.97 Makonge Primary School	-	-	5,000,000	5,000,000	4,995,673	4,327
8.991 Mukangu Primary School	-	-	3,900,000	3,900,000	3,896,033	3,967
8.992 Mukavane Primary School	-	-	3,900,000	3,900,000	3,896,176	3,824
8.993 Mwilolo Primary School	-	-	3,900,000.00	3,900,000.00	3,898,931.50	1,069
8.994 Makina Primary School	-	-	3,900,000	3,900,000	3,899,140	860
8.994 Mautuma DEB Primary School	-	-	3,900,000	3,900,000	3,863,695	36,305
8.995 Mugunga Primary School	-	70,402	3,900,000	3,970,402	3,963,479	6,923
8.997 Navalayo Primary School	-	228,481	-	228,481	-	228,481
8.998 Mabuye Primary School	-	481		481	-	481
8.999 Mugunga Primary School	-	121,176		121,176	-	121,176
Bahati Pprimary School	-				-	

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		7,736		7,736		7,736
Chamavele Primary School	-	5,130		5,130	-	5,130
Itumbu Primary School	-	8,996		8,996	-	8,996
Jirongo Deb Primary School	-	2,395		2,395	-	2,395
Kewa Primary School	-	2,140		2,140	-	2,140
Kipkaren Rural P School	-	12,401		12,401	-	12,401
Kiwanja Ndege Primary School	-	72,558		72,558	51,478	21,080
Kwambu Primary School	-	2,684		2,684		2,684
Lugari Township Primary School	-	1,240		1,240	-	1,240
Lukova Aprimary School	-	2,172		2,172	-	2,172
Mahiga Primary School	-	366		366	-	366
Murram Primary School	-	60,346		60,346	-	60,346
Maweni Primary School	-	4,956		4,956	-	4,956
Mayoyo Primary School	-				-	

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		5,618		5,618		5,618
Mbajo Primary School	-	2,408		2,408	-	2,408
Mugumu Primary School	-	41,777		41,777	-	41,777
Muhomo Primary School	-	773		773	-	773
Mukavane Primary School	-	8,154		8,154	-	8,154
Mulwanda Primry School	-	1,492		1,492	-	1,492
Munyuki Primary School	-	1,404		1,404	-	1,404
Muviki Primary School	-	2,283		2,283	-	2,283
Muyugi Primary School	-	54,103		54,103	-	54,103
St Michael Primary School	-	15,163		15,163	-	15,163
Nzoia Bridge Primary School	-	5,551		5,551	-	5,551
Nzoia Deb Primary School	-	1,025		1,025	-	1,025
Sango Primary School	-	2,093		2,093	-	2,093
St. Mary's Mutenyo Primary	-				-	

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
School		1,981		1,981		1,981
Tekoa Primary School	-	1,087		1,087	-	1,087
Angayu Primary School	-	7,736		7,736	-	7,736
Lumani P. School	-	3,811		3,811	-	3,811
Chepsai Primary School	-	3,033		3,033	-	3,033
Navalayo Primary School	-	4,605	-	4,605	-	4,605
Vuyika Primary School	-	9,987		9,987	-	9,987
Masasuli Primary School	-	2,350		2,350	-	2,350
Kwambu Primary School	-	47,597		47,597	40,000	7,597
Muyugi Primary School	-	205,530		205,530	205,000	530
Mukuyu Friends Special School	-	100,955		100,955	87,199	13,756
Mlimani Primary School	-	123,933		123,933	100,000	23,933
Sub-total	80,277,713	8,143,922	71,217,853	159,639,488	83,303,643	76,335,845
7.0 Secondary Schools Projects						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
(List all the Projects)						
Kivaywa Boys High School	10,000,000	-	-	10,000,000	-	10,000,000
St. Cecilia Girls High School Mautuma	6,000,000	-	-	6,000,000	5,974,471	25,529
Maturu Mixed Secondary School	2,292,546	-	-	2,292,546	-	2,292,546
St. Pauls Lugari Boys High School	-	-	2,000,000	2,000,000	-	2,000,000
Ayub Savula Secondary School	-	-	2,500,000	2,500,000	-	2,500,000
Mahanga Secondary School	-	263,818	-	263,818	-	263,818
Munyuki Secondary School	-	81,722	-	81,722	-	81,722
Munyuki Secondary School	-	1,300,000	-	1,300,000	1,299,210	790
Chekalini Secondary School	-	2,096,888	1,693,537	3,790,425	3,789,191	1,234
Holy Family Musembe Secondary School	-	-	4,000,000	4,000,000	3,998,575	1,425
Nzoia Girls Seconadry School	-	-	700,000	700,000	-	700,000
Mbaya Secondary School	-	751	-	751	-	751
Ivona Mixed Secondary School	-	-	-	-	-	-

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		6,410	-	6,410		6,410
Mabuye Secondary School	-	1,763	-	1,763	-	1,763
Mugunga Secondary School	-	1,295	-	1,295	-	1,295
St Bonface Mbagara Sec School	-	366	-	366	-	366
St. Francis Majengo Sec. School	-	1,083	-	1,083	-	1,083
Lumakanda Township Sec School	-	1,240	-	1,240	-	1,240
Macho Muslim Secondary School	-	46,603	-	46,603	-	46,603
St. Cecilia G. Secondary School	-	5,963	-	5,963	-	5,963
Munyuki Secondary School	-	901,845	-	901,845	901,025	820
St. Charles Lwanga Koromaiti Sec School	-	35,927	-	35,927	-	35,927
Lukhokho Girls Secondary School	-	39,801	-	39,801	-	39,801
Sub-total	18,292,546	4,785,475	10,893,537	33,971,558	15,962,472	18,009,086
8.0 Tertiary institutions Projects (List all the Projects)						
Chevaywa TTI						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	-	-	1,000,000	1,000,000	996,210	3,790
Mautuma M.T.C.	-	5,806	-	5,806	-	5,806
Sub-total	-	5,806	1,000,000	1,005,806	996,210	9,596
9.0 Security Projects						
Mautuma Chief's Office	-	75	-	75	-	75
Mlimani Patrol Base	-	6,975	-	6,975	-	6,975
Matete Police Station	-	1,962	-	1,962	-	1,962
Chekalini Chief's Office	-	2,950	-	2,950	-	2,950
Lugari Assistant Chief's Office	-	1,475	-	1,475	-	1,475
Matete Administration Police	-	2,475	-	2,475	-	2,475
Mukuyu Sub Locstion Chief's Office	-	2,807	-	2,807	-	2,807
Chekalini Chiefs Office	-	82,230	-	82,230	81,882	348
chekalini chiefs office	-	200	-	200	-	200
Lugari Police Post						

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	-	8,195	-	8,195	-	8,195
Sub-total	-	109,344	-	109,344	81,882	27,462
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)						
12.1 Motor Vehicles (including motorbikes)	-	350,000	-	350,000	-	350,000
12.2 Purchase of furniture and fittings	-	-	351,700	351,700	-	351,700
12.2 Construction of CDF office	-	70,000.00	-	70,000	-	70,000
12.3 Purchase of Computer	-	180,399.00	295,000	475,399	295,000	180,399
Sub-total	-	600,399	646,700	1,247,099	295,000	952,099
11.0 Digital Hubs						
<i>(Itemize as per the code list)</i>	-	-	-	-	-	-
Sub total						
12.0 Others						
12.1 Motor Vehicles (including motorbikes)	-	350,000	-	350,000	-	350,000
12.2 Purchase of furniture and fittings	-	-	351,700	351,700	-	351,700

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.2 Construction of CDF office	-	70,000.00	-	70,000	-	70,000
12.3 Purchase of Computer	-	180,399.00	295,000	475,399	295,000	180,399
Sub-total	-	600,399	646,700	1,247,099	295,000	952,099
13.0 Funds pending approval**						
13.1 Mabye Secondary School	1,500,000	-	-	1,500,000	-	1,500,000
13.2 AIA	-	244,000		244,000		244,000
Sub-total	1,500,000	244,000	-	1,744,000	-	1,744,000
Total	188,414,052	28,970,081	84,802,084	302,186,217	176,087,141	126,099,076

(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 Lugari Constituency principal activity is management of financial resources on behalf of the constituents as per the law and guidelines by the Board.

2. Statement of Compliance and Basis of Preparation

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

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

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

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (*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. Not applicable
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. Not applicable
IPSAS 45: Property Plant	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45

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

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

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

	statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. Not applicable
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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. Not applicable
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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. Not applicable
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: 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. Not applicable

iii. Early adoption of standards

• •
• *National Government Constituencies Development Fund (NGCDF)*

• •
• *Lugari Constituency*

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

○ The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption, and impact on the entity's financial statements.)*

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 10th 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 24*

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).

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

6. Transfers from the NGCDF Board

Description	<i>Period ended June 2025</i>
	Kshs
NGCDFB Transfers (Allocation for the FY)	188,414,052
TOTAL	188,414,052

7. Transfers from domestic and foreign partners

Description	<i>Period ended June 2025</i>
	Kshs
Grants	-
Total	-

8. Finance income

Description	<i>Period ended June 2025</i>
	Kshs
Interest Income on Bank Deposits	-
Total	-

9. Miscellaneous income

Description	<i>Period ended June 2025</i>
	Kshs
Rental Income	-
Income from sale of tenders	19,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere	-
Total	19,000

10. Employees cost

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	2,122,000
Personal allowances paid as part of salary	-
House Allowance	323,400
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	396,880
Employer Contributions Compulsory national social security schemes	144,876
Employer Contributions Compulsory Housing levy	36,681
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	3,023,837

11. Committee Expenses

Description	Period ended June 2025
	Kshs
Sitting allowance	3,542,000
Other Committee expenses	-
Total	3,542,000

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

12. Use of Goods and services

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	888,850
Communication, supplies and services	301,516
Domestic travel and subsistence	500,300
Printing, advertising and information supplies & services	66,000
Office Rent	-
Training expenses	1,311,400
Hospitality supplies and services	227,940
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	2,895,140
Fuel, oil & lubricants	750,000
Bank Charges	29,767
Routine maintenance – vehicles and other transport equipment	420,370
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	7,391,283

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	83,303,643
Secondary Schools Actual Expenditure	15,962,472
Tertiary Institutions Actual Expenditure	996,210
Total	100,262,325

14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	47,210,060
Bursary – tertiary institutions	6,571,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	81,882
Climate change mitigation projects	2,920,513
Emergency projects Actual Expenditure	4,789,242
Roads projects	-
Others specify	-
Total	61,572,697

15. Depreciation and Amortization Expenses

Description	Period ended June 2025
	Kshs
Property Plant and Equipment	143,023
Intangible Assets	-
Total	143,023

16. Digital Hubs Expenses

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

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

17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement
	Kshs	1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
KCB Webuye Branch A/C No. . - Operations account	33,652,820	16,130,861
Operations account pending closure (Indicate name & account no.)	-	-
KCB Webuye Branch , A/C No. 1334851751 - Deposit account	1,307	-
PMC Accounts Listed in Annex 2	35,150,109	12,820,221
Total	68,804,235	28,951,082
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-

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

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

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

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

21. Receivables from Non-Exchange Transactions

Description	<i>Period ended June 2025</i>		<i>Opening Statement</i>	
	Kshs		1st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	58,414,052		84,802,084	
Outstanding imprest	-		-	
Total	58,414,052		84,802,084	
Ageing Analysis- Receivables from non-exchange transactions	Insert 2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	54,818,052	100%	84,250,384	99%
Between 1-2 years	-	-	551,700	1%
Over 3 years	-	-	0	-
Total	54,818,052	100%	84,802,084	100%

22. Prepayments

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

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure Assets	Furniture and fittings	Computers & ICT Equipment	Work in Progress	Service concession assets	Total
Depreciation Rate		10%	25.00%	0.20	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Opening Bal as 1st July 2024					498,500	-	-	-	498,500
Additions						295,000	-	-	295,000
Disposals						-	-	-	-
Transfer/Adjustments						-	-	-	-
As At 30 Sep/Dec/Mar/Jun 2025					498,500	295,000	-	-	793,500
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024					62,313	-	-	-	62,313
Depreciation					54,523	88,500	-	-	143,023
Disposals					-	-	-	-	-
Impairment					-	-	-	-	-
Transfer/Adjustment					-	-	-	-	-
As At 30 th June, 2025	-	-	-	-	116,836	88,500	-	-	205,336
Opening Bal as at 1 st July 2024	-	-	-	-	436,188	-	-	-	436,188
As At 30 th June 2025	-	-	-	-	381,664	206,500	-	-	588,164

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

Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on 30/06/2025.

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	295,000	88,500	206,500
Office Equipment, Furniture, And Fittings	498,500	116,836	381,664
Total	793,500	205,336	588,164

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

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

24. Intangible Assets

Description	Period ended June 2025
	Kshs
Cost	
Opening balance at the beginning of the Period	-
Additions	-
Disposal	-
At end of the Period	-
Additions–internal development	-
Disposal	-
At end of the Period	-
Amortization and impairment	
At beginning of the Period	-
Amortization	-
At end of the Period	-
Impairment loss	-

25. Right-of use assets

Description	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 Sept/Dec/ March/June 2025	-	-	-	-
Accumulated Depreciation				

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

As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
Carrying Amount				
As at 30 Sept/Dec/ March/June 2025	-	-	-	-

26. Trade and Other Payables

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

27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	KShs	KShs
Retention as at start of the period (A)	563,197	563,197.00
Retention held during the period (B)	1,423,461	
Retention paid during the period (C)	92,000	-
Total	1,894,658	563,197

Retentions aging analysis.

	Insert	% of	Insert	% of
	2024/2025	the total	2023/2024	the total
Less than 1 year	1,894,658	100%	563,197	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	1,894,658	100%	563,197	100%

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

28. Lease Liabilities

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

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,079,050	221,959.00
Gratuity held during the period (B)	396,880	857,091.34
Gratuity paid during the period (C)	609,130	-
Total	866,800	1,079,050.34

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	12,497,888
Adjusted for:	
Depreciation	143,023
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	26,388,032
Changes in deferred income	-
Changes in Third party deposits	1,331,461
Changes in gratuity provision	212,250
Changes in payments received in advance	-
Net cash flow from operating activities	40,148,154

(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:

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	58,414,052	58,414,052	-	-
Bank balances	68,804,235	68,804,235	-	-
Total	127,218,288	127,218,288	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	84,802,084	84,802,084	-	-
Bank balances	28,951,082	28,951,082	-	-
Total	113,753,166	113,753,166	-	-

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions (retention)	-		1,894,658	1,894,658
Deferred income	-		-	-
Gratuity Provision	-		866,800	866,800
Total	-		2,761,458	2,761,458
As at 30th June 2024	-	-	-	-
Trade payables	-	-	-	-

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Current portion of borrowings	-	-	-	-
Provisions(retention)	-	-	563,197	563,197
Deferred income	-	-	-	-
Employee benefit obligation	-	-	1,079,050	1,079,050
Total	-	-	1,642,247	1,642,247

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

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

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:

2024/2025

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

Foreign currency sensitivity analysis

2024/2025

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

Financial Risk Management

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

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

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 percentage point as a decrease/increase of Kshs 1,000,000 (2024/2025: Kshs 400,000).

A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 1,000,000 (2024/2025– Kshs400,000)

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 2025	N/A			
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-

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

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

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,547,247	499,246
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	214,802,084	84,250,384
Total	214,802,084	84,250,384

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	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 NGCDF Lugari 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	3,024,000	-	-	3,024,000
Buildings and structures	11,228,690	-	-	11,228,690
Transport equipment	9,912,936	-	-	9,912,936
Office equipment, furniture, and fittings	2,634,680	98,000	-	2,732,680
ICT Equipment and Other ICT Assets	-	197,000	-	197,000
Other Machinery and Equipment	4,565,749	-	-	4,565,749
Intangible assets	-	-	-	-
Total	31,339,055	295,000	-	31,634,055

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative 2023/2024
BAHATI PRIMARY SCHOOL	CO-OPERATIVE	1139411006200	7,736	7,736
CHAMAVELE PRIMARY SCHOOL	CO-OPERATIVE	1139744466630	5,130	5,130
ITUMBU PRIMARY SCHOOL	CO-OPERATIVE	1139411045100	8,996	8,996
JIRONGO DEB PRIMARY SCHOOL	CO-OPERATIVE	1139182714000	2,395	2,395
KEWA PRIMARY SCHOOL	CO-OPERATIVE	1139340405201	2,140	2,140
KIPKAREN RURAL PRIMARY SCHOOL	CO-OPERATIVE	1139745360200	12,401	12,401
KIWANJA NDEGE PRIMARY SCHOOL	CO-OPERATIVE	1139182987000	72,558	72,558
KWAMBU PRIMARY SCHOOL	CO-OPERATIVE	1139610604800	2,684	2,684
LUGARI TOWNSHIP PRIMARY SCHOOL	CO-OPERATIVE	1139745094700	1,240	1,240
LUKOVA A PRIMARY SCHOOL	CO-OPERATIVE	139411175400	2,172	2,172
MAHIGA PRIMARY SCHOOL	CO-OPERATIVE	1141443536500	366	366
MURRAM PRIMARY SCHOOL	CO-OPERATIVE	1139086723100	60,346	60,346
MAWENI PRIMARY SCHOOL	CO-OPERATIVE	1141745615700	4,956	4,956
MAYOYO PRIMARY SCHOOL	CO-OPERATIVE	1139744263900	5,618	5,618
MBAJO PRIMARY SCHOOL	CO-OPERATIVE	1139183175600	2,408	2,408
MUGUMU PRIMARY SCHOOL	CO-OPERATIVE	1139045026800	41,777	41,777
MUHOMO PRIMARY SCHOOL	CO-OPERATIVE	1139610750200	773	773

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative 2023/2024
MUKAVANE PRIMARY SCHOOL	CO-OPERATIVE	1139744572600	8,154	8,154
MULWANDA PRIMRY SCHOOL	CO-OPERATIVE	1139046709401	1,492	1,492
MUNYUKI PRIMARY SCHOOL	CO-OPERATIVE	1141672655000	1,404	1,404
MUVIKI PRIMARY SCHOOL	CO-OPERATIVE	1141672879400	2,283	2,283
MUYUGI PRRIMARY SCHOOL	CO-OPERATIVE	1139744472900	54,103	54,103
ST MICHAEL MWILOLO PRIMARY SCHOOL	CO-OPERATIVE	1139745779700	15,163	15,163
NZOIA BRIDGE PRIMARY SCHOOL	CO-OPERATIVE	01139745779700	5,551	5,551
NZOIA DEB PRIMARY SCHOOL	CO-OPERATIVE	01141745603400	1,025	1,025
SANGO PRIMARY SCHOOL	CO-OPERATIVE	01139610715800	2,093	2,092
ST. MARY'S MUTENYO PRIMARY SCHOOL	CO-OPERATIVE	01139435142200	1,981	1,981
TEKOA PRIMARY SCHOOL	CO-OPERATIVE	01139610485700	1,087	1,087
ANGAYU PRIMARY SCHOOL	CO-OPERATIVE	1139046709401	7,736	7,736
LUMANI P. SCHOOL	CO-OPERATIVE	1141672655000	3,811	3,811
CHEPSAI PRIMARY SCHOOL	CO-OPERATIVE	1141672879400	3,033	3,033
LOCHO PRIMARY SCHOOL	KCB	1172671079	154,922	5,037
NAVALAYO PRIMARY SCHOOL	KCB	1151792381	4,605	4,605
VUYIKA PRIMARY SCHOOL	CO-OPERATIVE	01139745779700	9,987	
MASASULI PRIMARY SCHOOL	KCB	01141745603400	2,350	2,350
KWAMBU PRIMARY SCHOOL	KCB	1317631293	7,597	47,597

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative 2023/2024
MUGUNGA PRIMRY SCHOOL	KCB	1317631773	6,923	70,402
PANPAPER PRIMARY SCHOOL	KCB	1317631617	208,240	795,626
MAHIGA PRIMARY SCHOOL	KCB	1317388526	86,968	4,844,094
MUYUGI PRIMARY SCHOOL	KCB	1317163591	529.5	205,529
MUHOMO PRIMARY SCHOOL	KCB	1317071786	326,801	1,026,514
MUKUYU FRIENDS SPECIAL SCHOOL	KCB	1318128986	13,756	100,955
MLIMANI PRIMARY SCHOOL	KCB	1318127947	23,933	123,933
TEKOA PRIMARY SCHOOL	KCB	1316993183	899,461	606,724
NZOIA DEB PRIMARY SCHOOL	KCB	1316831507	18,879	78,920
MAKHUKHUNI PRIMARY SCHOOL	KCB	1296929078	3,238,112	138,813
CHEKALINI PRIMARY SCHOOL	KCB	1324946903		110,080
MAKONGE PRIMARY SCHOOL	KCB	1332955185	4,327	-
MAKINA PRIMARY SCHOOL	KCB	1332404766	860	-
MWILOLO PRIMARY SCHOOL	KCB	1334317909	1,068.5	-
MUKAVANE PRIMARY SCHOOL	KCB	1334317674	3,824	-
MUKANGU PRIMARY SCHOOL	KCB	1333517394	3,967	-
MATURU PRIMARY SCHOOL	KCB	1335840621	97,989	-
MAUTUMA DEB PRIMARY SCHOOL	KCB	1335082417	36,305	-
KIPKAREN RURAL PRIMARY SCHOOL	KCB	1334959544	7,328,542	-

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative 2023/2024
MWIVONA PRIMARY SCHOOL	KCB	1335691677	2,305,773	-
ST FRANCIS MAJENGO PRIMARY SCHOOL	KCB	1341790282	3,000,000	-
LAKE BASIN PRIMARY SCHOOL	KCB	1341488659	4,050,000	-
MBAYA SECONDARY SCHOOL	CO-OPERATIVE	01139534594700	751	751
IVONA MIXED SECONDARY SCHOOL	CO-OPERATIVE	01141673607900	6,410	6,411
MABUYE SECONDARY SCHOOL	CO-OPERATIVE	01139744233400	1,763	1,763
MUGUNGA SECONDARY SCHOOL	CO-OPERATIVE	01141745968900	1,295	1,295
ST BONFACE MBAGARA SEC SCHOOL	CO-OPERATIVE	01139745793100	366	11,245
ST. FRANCIS MAJENGO SEC. SCHOOL	CO-OPERATIVE	01139745793100	1,083	1,083
LUMAKANDA TOWNSHIP SEC SCHOOL	CO-OPERATIVE	1141411172800	1,240	1,683
MACHO MUSLIM SECONDARY SCHOOL	CO-OPERATIVE	01141881386800	46,603	46,603
ST. CECILIA GIRLS SECONDARY SCHOOL	CO-OPERATIVE	01139457952400	5,963	5,963
MUNYUKI SECONDARY SCHOOL	CO-OPERATIVE		820	
MUNYUKI SECONDARY SCHOOL	KCB		790	
ST CHARLES LWANGA KOROMAITI SEC SCHOOL			35,927	
LUKHOKHO GIRLS SECONDARY SCHOOL			39,801	
CHEKALINI SECONDARY SCHOOL			1,234	
ST PAULS LUGARI BOYS HIGH SCHOOL			2,000,000	
HOLY FAMILY MUSEMBE SECONDARY SCHOOL			1,425	

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative 2023/2024
AYUB SAVULA SECONDARY SCHOOL			2,500,000	
ST CECILIA GIRLS MAUTUMA	KCB		876,059	
MAUTUMA M.T.C.	CO-OPERATIVE	01141441671800	5,806.00	5,806.00
CHEVAYWA TTI			3,790	
LUGARI POLICE POST	CO-OPERATIVE	01141745785100	8,195	8,195
MAUTUMA CHIEF'S OFFICE	CO-OPERATIVE	01141745807500	75	75
MLIMANI PATROL BASE	CO-OPERATIVE	01141745807600	6,975	6,975
MATETE POLICE STATION	CO-OPERATIVE	01141744058200	1,962	1,962
CHEKALINI CHIEF'S OFFICE	CO-OPERATIVE	01141951050900	2,950	2,950
LUGARI ASSISTANT CHIEF'S OFFICE	CO-OPERATIVE	01141745698200	1,475	1,475
MATETE ADMINISTRATION POLICE	CO-OPERATIVE	01141745550400	2,475	2,475
MUKUYU SUB LOCSTION CHIEF'S OFFICE	CO-OPERATIVE	01141745833000	2,807	2,807
CHEKALINI CHIEFS OFFICE	KCB	1317784561	148	148.00
LUGARI SPORTS COMMITTEE	KCB	1321844832	3,813	-
CHEKALINI PRIMARY SCHOOL	KCB	113985069	110,080	110,080
ST CECILIA GIRLS MAUTUMA	KCB	1317784561	549	549
KIVAYWA BOYS HIGH SCHOOL	KCB	1317388674	375	375
ST PAULS LUGARI BOYS SEC SCH.	KCB	1108463748	104,214	104,214
CHEVAYW A TTI	KCB	1317388674	15,110	

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative 2023/2024
ST FRANCIS MAJENGO PRIMARY SCHOOL	KCB	112099439	4,200,000	-
MUKHALANYA PRIMARY SCHOOL	KCB	113998283	1,003	759,970
MUKANGU PRIMARY SCHOOL	KCB	1102931203	7,209	759,800
MAUTUMA DEB PRIMARY SCHOOL	KCB	1139827878	49,831	759,800
PANPAPER PRIMARY SCHOOL	KCB	142329484	60,814	759,800
TOTAL			35,150,108.74	12,311,041

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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
1	<p>Budgetary control and performance The summary of appropriation reflects a receipt budget and actual amount on comparable basis of Kshs 301,771,300 and Kshs 217,320,916 respectively, resulting in an underfunding of Kshs 84,450,384 or 28% of the approved Budget. However, the Fund spent Kshs 201,190,056 against actual receipts of Kshs 217,320,916 resulting in under-expenditure of Kshs 16,130,860 of the actual receipts.</p>	<p>The Balance of Kshs 84,450,384.00 was sent to us after the closure of the Financial Year vide AIE Nos. 228611, 234555 and 234857 of Kshs 13,000,000, Kshs 30,000,000 and Kshs 41,250,384 respectively. Copies of the AIEs have been provided for Audit review</p>	Resolved	

National Government Constituencies Development Fund (NGCDF)

Lugari Constituency

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.			
2	<p>Failure to report of utilization of Emergency Funds</p> <p>The Statement of receipts and payments reflects other grants and transfers of Kshs 74,374,180, which includes payments for emergency projects of Kshs 8,900,000 as disclosed in Note 8 to the Financial Statements. However, there was no evidence for audit that the Fundhad reported the emergency to the Board. This was contrary to Regulation</p>	Management has provided a letter Ref. No. NGCDF/LGR/GEN/VOL I/022 of 18 th July, 2024, requesting for approval of Emergency Projects for Audit review.	Not resolved	5 th December, 2025

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>20(2) of the National Government Constituencies Development Fund, 2016 which states that the utilization of the emergency fund reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board. In the circumstances, Management was in breach of the Law.</p>			
3	<p>Lack of Creteria for Bursary Award The Statement of receipts and payments reflects other grants and transfers amount of Kshs 74,374,180 which includes Bursary disbursement to Secondary Schools of Kshs 49,872,477 and Tertiary institutions of</p>	<p>Management has provided minutes of the meeting held on 24th January, 2024, between the NGCDFC and Bursary vetting Committees during which the evaluation criterion was developed.</p>	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs 10,164,500 as disclosed in Note 8 to the financial statements. However, the Fund did not disclose how the applicants were invited and the criteria used to identify the deserving cases and award bursaries. This was contrary to regulation 21(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that a constituency Committee shall vet all the applicants for Bursary consideration by guidelines issued by the Board. In the circumstances, the effectiveness in award of bursaries to the deserving</p>	<p>On 24th January, 2024, the NGCDFC held a meeting with the Bursary vetting Committees from the Wards during which the evaluation criterion was developed . Attached, please find minutes of the said meeting and the criteria used to award the beneficiaries.</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	applicants in an open and transparent manner could not be confirmed.			

[Handwritten Signature]

Name PEREZ ANJANG
 Fund Account Manager.

