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REPORT	
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DATE: 11 FEB 2026	DAY: Wednesday
TABLED BY: OF	Hon. (Dr.) Robert Pukose on behalf of Leader of Majority
CLERK-AT THE-TABLE:	Lorale

THE AUDITOR-GENERAL

ON

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

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

Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

GEM CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th JUNE 2025

Transitional IPSAS Financial Statements /Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work.
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund.
3. **Timeliness** – we adhere to prompt delivery of service.
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people.
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

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Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Gem 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	Henry Samson Juma Opilo
2.	National Sub-County Accountant	Benson Khisa
3.	Chairman NGCDFC	Leah Nyanja
4.	Member NGCDFC	Rozalyne Akinyi
5.	Member NG CDFC	Richard Ooko Olendo

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Gem Constituency Headquarters

P.O. Box 53, Sawagongo
Gem NG-CDF Building
Luanda –Siaya Road
Wagai, KENYA

(e) NGCDF Gem Constituency Contacts

P.O. Box 53 SAWAGONGO
Telephone: (254) 723052513
E-mail: cdfgem@ngcdf.go.ke
Website: www.gemcdf.go.ke

(f) NGCDF Gem Constituency Bankers

1. Gem NG-CDF Operation account
Co-operative Bank
Yala Branch
P.O. Box 195-40610
Yala

2. Deposit account
Kenya Commercial Bank
Ugunja Branch
P.O. Box 175-406
Ugunja

3. Project Management Committee (PMC) Accounts
 - a) Co-operative Bank
Yala Branch
P.O. Box 195-40612
 - b) Equity Bank
Luanda Branch
Box 34-50309
Luanda
 - c) Equity Bank
Siaya Branch
P.O Box253 -40600
Siaya
 - d) Kenya Commercial Bank
Ugunja Branch
P.O Box 175-40606
Ugunja





(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. John Ogam Maramba - Chairman	<p>Date of Birth: 01/01/1974</p> <p>Academic Qualification: Certificate in supply chain management.</p> <p>Work Experience: He has been the deputy Constituency Manager from 2017 to 2022. He has been Organizing Committee Meetings and organizing for public participations within the constituency.</p>
 Ms. Everline Nekesa Katatsa - Secretary	<p>Date of Birth: 01/01/1974</p> <p>Academic Qualification: Certificate in Community Health and Development.</p> <p>Work Experience: Has worked as Community Development and Social Work officer for 13 years.</p>
 Mr. Francis Otieno - Member	<p>Date of Birth: 07/08/1971</p> <p>Academic Qualification: High School</p> <p>Work Experience: Casual worker Public works Kisumu from 1991 to 2000.</p>
 Ms. Maureen Omoro Anyango- Member	<p>Date of Birth: 11/12/1985</p> <p>Academic Qualification: High School</p> <p>Work Experience: Has served as NG-CDFC member for Gem Constituency since 2017 to date.</p>

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 <p>Mr. Peter Owino Ajuoga - Member</p>	<p>Date of Birth: 30/10/1998</p> <p>Academic Qualification: Bachelor of science in Environmental health</p> <p>Work Experience: Intern in the Ministry of Health April 2023 to April 2024</p>
 <p>Mr. Richard Ooko Olendo – Member</p>	<p>Date of Birth:15/051958</p> <p>Academic Qualification: Higher Diploma Community Health Development.</p> <p>Work Experience: Senior nursing officer incharge in Maseno University from 1992 to 2018.He has also worked as nurse incharge of Marenyo Health Center from 1197 to 1991.</p>
 <p>Ms. Vivian Awuor Odhiambo Member</p>	<p>Date of Birth:12/9/1998</p> <p>Academic Qualification: Certificate in Bevarage product</p> <p>Work Experience: Has been a NG-CDFC member since 2022</p>
 <p>Mr. Benard Ogutu - Member</p>	<p>Date of Birth: 19/03/1984</p> <p>Academic Qualification: Class Eight</p> <p>Work Experience: Has been a NG-CDFC member for Gem representing PWDs since 2018 to date.</p>

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 <p>Mr. Evans Otieno - Member</p>	<p>Date of Birth:28/06/1977</p> <p>Academic Qualification: Master of philosophy.</p> <p>Work Experience: 18 years in Administration.</p>
 <p>Ms. Anne Wafukho - Member</p>	<p>Date of Birth:29/12/1973</p> <p>Academic Qualification: Bachelor of Bachelor of Arts</p> <p>Work Experience: 15 years as an Administrator.</p>
 <p>Henry Samson Juma Opilo – Fund Account Manager</p>	<p>Date of Birth: 17/11/1973</p> <p>Academic Qualification: Bachelor of Arts Economics</p> <p>Work Experience: Has worked with Bungoma Teachers SACCO and Family bank and currently the Fund Account Manager for Muhoroni and acting in Gem Constituency.</p>

4. NG-CDFC Chairman's Report



John Ogam Maramba-Chair Man Gem NCDFFC

The financial year 2024/2025 that ended on 30th June 2025 was a great year full of success and challenges in terms of peace in our regions during demonstrations, successful robust public Participation exercise that enabled the Committee listen to the public proposals in all the six wards that culminated in prioritizing of Constituency projects proposal. The challenges within the year included delay in gazettment of NG-CDFCs, high rate of transfers of Fund Account Managers and late disbursement of funds.

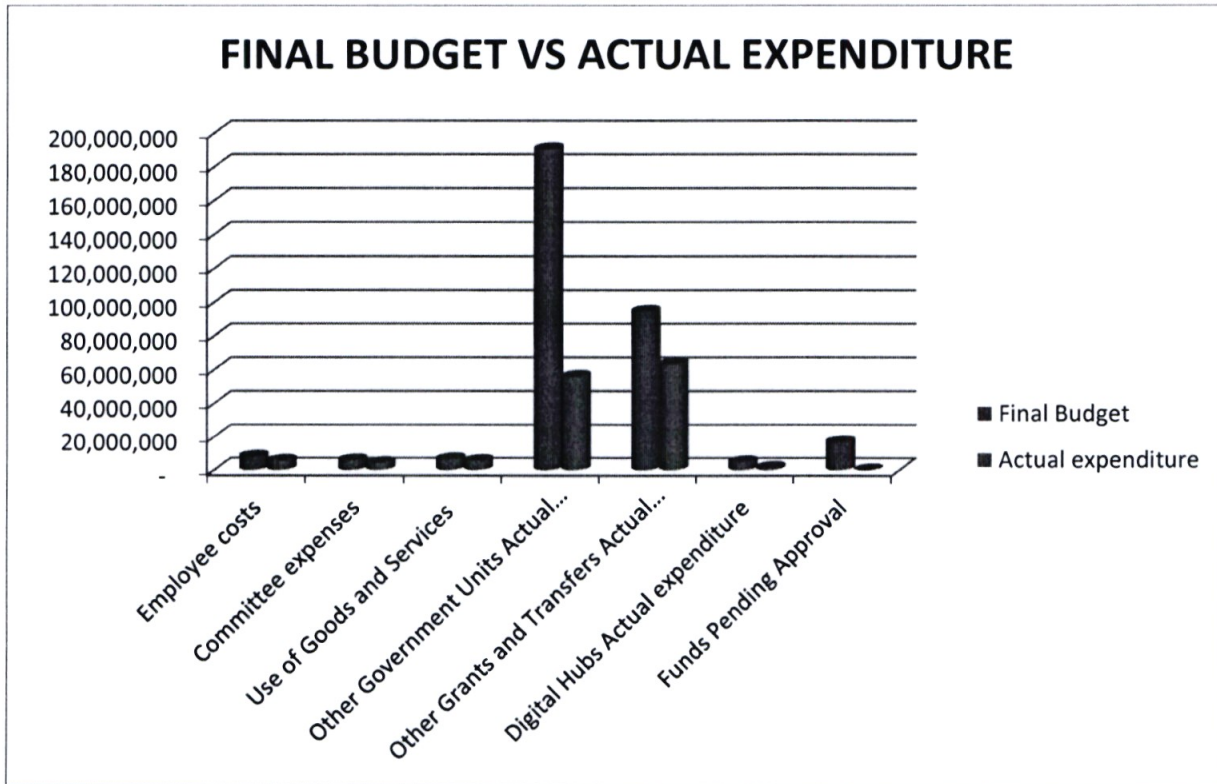
In the financial year 2024/2025 the Gem NG-CDF had an original budget of Kshs. 188,414,052 which finally amounted to Kshs. 327,435,284 because we received Kshs. 75,045,984 as Owings for the previous years, Kshs. 36,804,476 and Ksh. 26,957,814 as opening balances in NG-CDF account and PMCs respectively.

In regard to disbursement from the NG-CDF BOARD, our constituency had managed to receive a total of Kshs. 130,000,000 for the 2024/2025 financial year by the closure of the financial year. Below is the representation of our final budget against expenditure.

ITEM	Final Budget	Actual expenditure
Employee costs	8,095,254	5,630,630
Committee expenses	5,876,111	4,260,960
Use of Goods and Services	6,633,676	5,598,583
Other Government Units Actual expenditure	190,404,323	55,968,162
Other Grants and Transfers Actual expenditure	94,626,606	63,434,218

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Digital Hubs Actual expenditure	4,899,313	1,469,458
Funds Pending Approval	16,900,000	-
Total	327,435,284	136,362,011



Gem Constituency has practiced good financial governance which is key in ensuring efficiency, effectiveness, responsiveness and accountability of public funds. The real benefit of our success is what it means to the constituents we serve. To this, I am incredibly proud of the team that ensured all this is possible and I therefore convey my utmost gratitude to the Fund Account manager, the Sub- County Accountant, the internal Audit team, NG-CDFC and NG-CDF staff.

Through our project implementation in the financial year 2024/2025, we have made significant contributions to the constituency. The effect of Gem NG-CDF funded projects in the constituency is highly manifested by increase in job creation for the locals (especially youths, women and people with special needs), increase in literacy levels and an amazing reduction in school dropout rates, easy access to basic services through improved infrastructural development and equitable development in the whole constituency.

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We have faced other challenges during this financial year. The first being over dependency on bursary fund due to high level of poverty and many orphans within the constituency. However, despite the challenges we have faced during the financial year, we have managed to execute most of the projects in our code list.

Highlighted below are some of flagship projects that the committee was able to initiate over the past financial year



Construction of science laboratory at Lihanda primary school



Construction of one classroom at Nyabeda Primary school



Renovation of 3 classrooms at Sirandu primary school

Emerging Issues

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

- I. The introduction of E-procurement process that necessitate training of members of the committee and staff.
- II. The rejection of finance bill 2023 that could have seen Gem NGCDF benefiting with additional 30 million and increased development programs.

Challenges

Major challenges faced by the Fund include;

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

Way forward

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

.....
Name: John Ogam Maramba

Chairman NGCDF Committee

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

Introduction

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

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

- i. Build consensus and develop a vision of Gem we want through a consultative process.
- ii. Establish a baseline for residence satisfaction level with services provided in the various sectors by the constituency.
- iii. Prioritize and rank the constituency’s economic, social and political development needs through analysis and identification of critical problems and opportunities

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary’s beneficiaries at all levels	In FY 2024/2025 the constituency constructed 17 new classrooms and renovation was also done in 23 primary schools. The constituency has also purchased 3school buses for three secondary schools. One laboratories and 1 library were also constructed in primary and secondary schools

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				respectively. Additionally the Constituency also equipped and renovated 2 laboratories in secondary schools.
Security	To enhance the number of security projects in the Constituency	Increased number of security projects	Number of security projects	In FY 2024/2025 the constituency constructed 1 administration office for Assistant Chief, 4 staff houses for police officers, Construction of a police station and construction of 3 pit latrines in security offices
Environment	To enhance clean and safe water.	Increased number of water tanks in the schools.	Number of water tanks and trees	In FY 2024/2025 the constituency installed water tanks in 7 primary schools and establish a tree nursery in 2 primary schools.
Emergency	Prompt mitigation process	Improved efficiency and effectiveness in attending calamities	Number of classrooms, offices and pit latrines reconstructed or renovated after a disaster.	In FY 2024/2025, the constituency constructed three security projects fourteen toilets in primary schools and renovated 6 classrooms in primary schools.
Digital Hubs	To promote digital literacy	Increased number of ICT hubs	Number of constructed of equipped ICT hubs	In the financial year 2024/2025 Gem Constituency has constructed Ulumbi digital hub, renovated and furnished Mutumbu ICT hub.

6. Governance Statement

a. NG-CDFC process of appointment

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 member 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)

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of the Act and to forward the names to the Office of the Board seconded to the Constituency.

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

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

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in churches, public offices notice boards and other public areas in the constituency. The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed from Gem 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/N	Name	Category representation	Ward
1.	John Maramba Ogam	Male (Adult)	Yala Township
2.	Francis Otieno Ochieng	Male (Adult)	East Gem
3.	Everline Nekesa Katasa	Female (Adult)	North Gem
4.	Maureen Anyango Omoro	Female (Adult)	Yala Township
5.	Vivian Awuor Odhiambo	Female (Youth)	South Gem
6.	Peter Owino Ajuoga	Male (Youth)	West Gem

Nominee of the person representing persons with disability

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	Benard Otieno Ogutu	National Council Of People Living With Disability	Deformed Limbs	Central Gem

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

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S/N	Name	Gender	Ward
1.	Richard Ooko Olendo	Male	Yala Township

The list of the selected and recommended members was forwarded to the NG_CDF Board and was further gazetted through a gazette notice dated 21st May, 2025.

The Gem NG_CDFC Members were gazetted as follows

S/N	Name	Category	Statutory Provision Under NG-CDF Act
1.	John Maramba Ogam	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
2.	Francis Otieno Ochieng	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
3.	Everline Nekesa Katasa	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c))
4.	Maureen Anyango Omoro	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c)
5.	Benard Otieno Ogutu	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)
6.	Vivian Awuor Odhiambo	Female Youth Representative	Appointment Pursuant to Sect. 43 (2)(c)
7.	Peter Owino Ajuoga	Male Youth Representative	Appointment Pursuant to Sect. 43 (2)(c)

The First NG-CDFC in augural meeting was held on 4th June, 2025. The members carried out an election for the position of a chairperson and the secretary of the committee. The following members were elected.

	NAME	POSITION	WARD
1	John Maramba Ogam	Chairperson	Yala Township
2	Everline Nekesa Katasa	Secretary	North Gem

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

The Committees were constituted as follows;

1. Bursary Sub-committee

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	NAME	POSITION
1.	Sub-County Director of Education	Chairperson
2.	Vivian Odhiambo	Secretary
3.	Everline Nekesa	Member
4.	Sammy Ojenge	Member

2. Complaint Handling & Resolution Sub-Committee

	NAME	POSITION
1.	Ann Wafukho	Chairperson
2.	Henry Samson Juma Opilo	Secretary
3.	Benard Ogutu	Member
4.	Francis Otieno	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 that was in office during the year under review was appointed in December 2022. They were in office up to 4th June 2025, when they handed over to the current committee. The outgoing committee member comprised of the following members.

Name	Category	Position	Period Served
Richard Ooko Olendo	Male Adult	Member	December 2022-June 2025
Hesbon Owuoth	Male youth	Member	December 2022-June 2025
Leah Nyanja	Female adult	Chairperson	December 2022-June 2025
Vivian Awuor	Female youth	Member	December 2022-June 2025
Benard Otieno Ogutu	PWD REP	Member	December 2022-June 2025
Maurine Anyango Omoro	Co-opted Member	Member	December 2022-June 2025
Francis Otieno	Nominee of constituency Office-	Member	December 2022-June 2025
Rozalyne Akinyi	Nominee of constituency Office-	Secretary	December 2022-June 2025

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 Gem the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Handing Over

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was carried out smoothly and successfully on 4th July, 2025.

e. NG-CDFC Induction and training

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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 Gem.

b. The Role of the Constituency Committee

- c. Build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund;
- d. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- e. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- f. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- g. In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- h. Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- i. In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- j. Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- k. Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- l. Ensure that all projects receive adequate funding and are completed within three years;
- m. Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- n. (l) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- o. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- p. Ensure that project reports are prepared and submitted to the Board;
- q. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;

c. Removal of a member

Regulation 10 (1) refers to removal of a member, the members of a Constituency Committee may remove a member in accordance with section 43 (13) and (14) of the Act upon receipt of a complaint against a member. A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office.

The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of.

The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting.

If, at a meeting held pursuant to paragraph (4), members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice.

A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5).

The member against whom the complaint is raised may be required to respond to the complaint in writing.

The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a Constituency Committee may hear such a member.

The member against whom a complaint is made may call witnesses.

If the member against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter.

Notwithstanding paragraph (10), a Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing.

If the member against whom a complaint is made fails to respond to the complaint as may be directed by a Constituency Committee, the Committee may proceed and make a determination based on the evidence available.

A Constituency Committee shall issue its decision on the complaint within seven days after the conclusion of the hearing.

If a Constituency Committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision.

The communication to the Board under paragraph (14) shall include duly executed proceedings, together with all the supporting documents.

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The Board shall, within thirty days after receipt of the communication in paragraph (14), consider the matter and issue a final declaration which shall be binding on all parties.

A Constituency Committee may remove the Chairperson or secretary from their respective positions for failing to perform their functions, under regulations 8 and 9 respectively.

A Constituency Committee shall inform the Chairperson or Secretary of the reasons for the proposed removal, and shall give the Chairperson or Secretary reasonable opportunity to be heard.

A Chairperson or secretary who is removed pursuant to paragraph (19) shall continue to discharge duties as a member of the Constituency Committee.

At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office.

There was no change in NG-CDFC composition since none was removed.

d. NG-CDFC Induction and training

Gem NG-CDF had conducted induction training to NG-CDFC members in March 2023 at Starbucks Hotel in Eldoret and June 2025 in Embu.

r. Number of meetings;

NG-CDF Act Section 43 (1) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Gem Constituency, the NG-CDF Committee conducted 12 meetings.

	Name of committee member	Meetings held											
		4/7/24	19/8/24	23/9/24	14/10/24	11/11/24	19/12/24	10/1/25	7/2/25	27/3/25	22/4/25	15/5/25	10/6/25
1	Leah Nyanja-Chairperson	√	√	√	√	√	√	√	√	√	√	√	√
2	Rozalyne Akinyi-Secretary	√	√	X	√	√	√	√	x	√	√	√	√
3	Hesbon Owuoch-Member	√	√	√	√	√	√	√	√	√	√	√	√
4	Vivian Awuor-Member	√	√	√	√	√	√	√	√	√	√	√	√
5	Francis Otieno-Member	√	√	√	√	√	√	√	√	√	√	√	√
6	Richard Olendo-Member	√	√	√	√	√	√	√	x	√	√	√	√
7	Maurine Omoro-Member	√	√	√	√	√	√	√	√	√	√	√	√
8	Benard Ogutu-Member	√	√	√	√	√	x	√	√	√	√	√	√
9	Evans Otieno-DCC Gem Yala	√	√	√	√	√	√	√	√	√	√	√	√
10	Anne Wafukho-DCC Gem Wagai	√	√	√	√	√	√	√	√	√	√	√	√

s. 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 this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

t. Disclose the policy on conflict of interest

The Members are required to declare any conflict during meetings, which whenever declared, would be recorded in the minutes and in the register.

u. 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.

v. Ethics and code of conduct

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

w. Risk Management

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

- To assist in ensuring all internal policies, procedures, standards and control are complied with
- To provide a greater level of transparency into the operations of the fund
- To enable the Fund follow best practice in Risk Management
- To establish the current level of risk within the constituency/department
- To enable the constituency/department detect any forthcoming risks and take the necessary action.

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7. Management Discussion and Analysis

Gem NG-CDF management would like to provide a detailed analysis of its performance in the various areas of operation and financial as follows;

a) Operational and Financial Performance

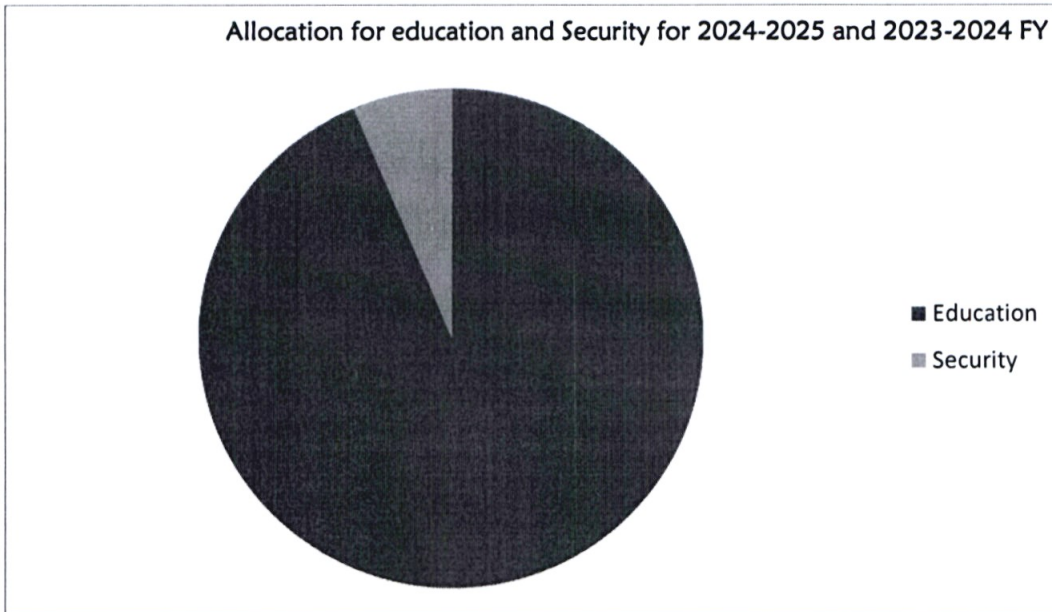
Gem NG-CDF has been operational since 2003 but would provide financial analysis for the past 5 years on how much the entity has received and spend in the various critical sectors being Education and Security.

Below is the summary of disbursement of funds from the Board to the Constituency Account since 2020

No	Financial Year	Amount Allocated	Amount disbursed	Expenditure	Percentage
1.	2020/2021	137,354,879	137,354,879	137,354,879	100%
2.	2021/2022	137,088,879	137,088,879	137,088,879	100%
3.	2022/2023	151,960,174	151,960,174	151,960,174	100%
4.	2023/2024	204,045,984	204,045,984	204,045,984	100%
5.	2024/2025	188,414,052	130,000,000	130,000,000	69%
6.	Total	1,559,379,057	1,499,965,005	1,499,965,005	96%

Financial Year	Sector	Budget	Expenditure
2024-2025	Education Projects	190,404,323	55,795,186
	Education Bursary	69,072,201	44,059,600
	Security	13,366,227	12,063,828
2023-2024	Education Projects	104,235,523	80,951,605
	Education Bursary	62,002,704	52,436,100
	Security	15,600,000	2,800,000
	Total	454,680,978	248,106,319

Sector	Budget	Percentage
Education	425,714,751	94%
Security	28,966,227	6%
Total	454680978	



The pie chart above shows that Gem NG-CDF allocates and spends more on Education than Security. This is because the constituency has more learning areas than security sectors.

b) Key Projects

Gem NG-CDF has been able to undertake key projects that will go into improving the infrastructure standards and also providing job opportunities to the residents of Gem. For instance the Construction of skills laboratory at Rera KMTC has increased enrolment of students in the campus and this has promoted many businesses within the nearby centers and employment of more staff within the campus.

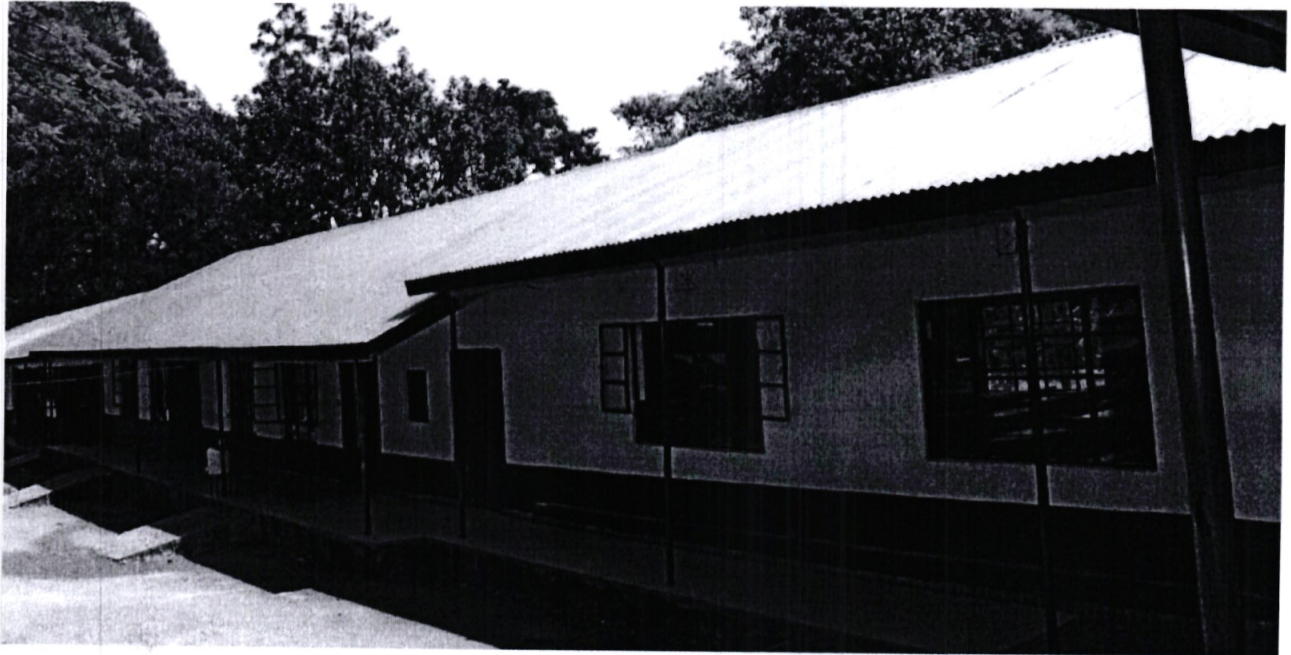
The construction of staff houses at Yala Police Station within YalaTown will also provide the much needed security for the residents of Yala Township ward and the entire Gem constituency.

The Fund has also been used to drill water in various institutions like Gongo Warom secondary school, Kaudha secondary school, Nyapiedho secondary school, Muhanda Primary and Got Regea primary school. The mentioned schools were in dire need of water. The constituency has also purchased school buses for Kambare secondary, Wagai secondary and Nywara girls.

Gem Constituency has also constructed Mutumbu digital hub which is in operation and construction of Ulumbi digital hub is in progress. The digital hubs have greatly contributed to job creation and as Centers for research.

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The constituency also constructed and renovated a number of classrooms across the schools within the constituency among which include; renovation of six classrooms in Gongo primary school , three classrooms renovation in Sirandu primary and construction of laboratory in schools like Lihanda primary school.



Renovation of six classrooms at Gongo primary school



Construction of skills laboratory at Rera KMTc

c) Compliance with statutory requirements.

Gem NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, PFM Act 2012, PPADA 2015 and many other relevant laws and has been in full compliance of the same.

For instance schedule four of the constitution 2010 has outlined the roles of National Government and County Government and in no instance has Gem been cited for non-compliance.

Gem NG-CDF has been able to equally meet its obligations for instance payment of taxes like VAT withholding tax from contactors, Pay As You Earn Tax and Withholding Tax as required and further commits to operate within the law even to the future.

d) Review of the Economy, Sector and Future Developments

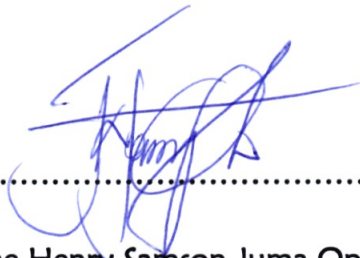
The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 2019 that reduce the business growth and hence revenue collection. NG-CDF as

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a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines and even the budget process.

In the last three years there has been improvement in the revenue growth which has led to increased budgetary allocation of the Fund even at the constituency level. This has been elaborated in the above table.

With the intention to entrench the Fund in the Kenyan Constitution, there is a good chance that in the future the Fund will grow and be able to spur more economic growth at the constituency level. Gem NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.



.....
Name Henry Samson Juma Opilo
Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

- Outline clearly, the environmental policy guiding the constituency, and provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy, and efforts to reduce the environmental impact of the constituency's activities.
- Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities, e.g., planting trees once in an academic calendar.
- Sensitization of youth/ community on the impact of drug abuse.
- Report on security activities, e.g., construction of police stations supported by NG-CDF

3. Employee welfare

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

Gem 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-

Gem 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

Gem 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.

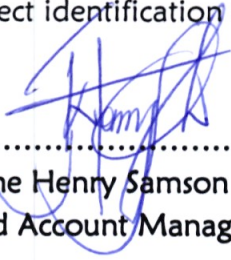
The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

Public Awareness

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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.

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



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

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

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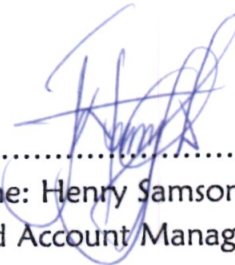
Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Gem Constituency financial statements were approved and signed by the Accounting Officer on 2/12/ 2025.



.....
Name: John Ogam Maramba
Chairman – NGCDF Committee



.....
Name: Henry Samson Juma Opilo
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituency Development Fund - Gem Constituency set out on pages 1 to 71, which comprise of the statement of financial position as at 30 June, 2025, and

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituency Development Fund – Gem Constituency at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Bursary to Secondary Schools and Tertiary Institutions

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an expenditure of Kshs.63,434,218 in respect of other grants and transfers. Included in this amount is Kshs.33,004,600 relating to bursary disbursed to secondary schools, Kshs.10,580,000 was disbursed to tertiary institutions and Kshs.475,000 was disbursed to special schools. Review of sampled bursary disbursement records maintained by the Gem Constituency Development Fund revealed that an amount of Kshs.2,711,000 disbursed to five (5) secondary schools, nine (9) colleges and universities and two (2) special schools revealed that these payments have not been supported by acknowledgement receipts crediting bursary to individual student account from the respective secondary schools and colleges which is the proof of funds reaching the intended recipients.

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

2. Committee Expenses

The statement of financial performance reflects Committee Expenses amounting to Kshs.4,260,960, as disclosed in Note 11 of the financial statements. Included in this amount is Kshs.849,500 related to other committee expenses, out of which Kshs.314,000 represents payments for monitoring and evaluation of projects that were not supported by work tickets showing movement of vehicles to the project sites.

In the circumstances, expenditure amounting to Kshs.314,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Gem 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

Budget Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.327,435,284 and Kshs.269,021,232 respectively resulting to an under-funding of Kshs.58,414,052 or 18% of the budget. Similarly, the Constituency expended Kshs.135,978,592 against an approved budget of Kshs.327,435,284 resulting to an under-expenditure of Kshs.191,456,692 or 58% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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 report of the previous year, issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management had not resolved the following matters as at 30 June, 2025.

- (i) Unsupported Project Management Committee Bank Balances;
- (ii) Irregularity in Procurement of Consultancy Services for GEM Strategic Plan 2023-2028;
- (iii) Analysis of Pending Staff Payables.

Other Information

The Management is responsible for the Other Information set out on page iii to xx which comprise of Key Constituency Information and Management, NG-CDF

Chairman's Report, Statement of Performance Against Project's Predetermined Objectives, Governance Statement, 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 and 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. Stalled Project Construction of a Classroom at Nyalunya Primary School

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects expenditure amounting to Kshs.55,968,168 under Other Government Units. Included in this amount is a payment of Kshs.511,541 made to a company for certified works in February, 2025. The contract sum was Kshs.1,200,000, with the contract agreement signed on 26 February, 2025 and expected completion on 30 May, 2025. However, physical inspection conducted on 21 October, 2025 revealed that the project had stalled and the contractor was not on site. Management indicated that the contractor had requested upfront payment for unexecuted works citing cash flow challenges through a letter dated 10 March, 2025, which had not been approved by the project management committee. As a result, the contractor abandoned the project. No action has been taken by the PMC to enforce contract performance.

In the circumstances, the project has stalled and the completion of the project is in doubt.

2. Unconfirmed Reporting on Emergency Project Expenses

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.63,434,218 which includes emergency projects expenditure amounting to

Kshs.5,530,269 as disclosed in Note 14 to the financial statements. However, no documentary evidence was provided showing that the Management had reported the emergency expenditure within thirty (30) days of the occurrence to the Board using the prescribed format.

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

3. Delay of Implementation of Projects after Funds Disbursement

Review of Gem Constituency Approved Code List for 2024-2025 revealed that the Board approved Social Health Insurance Fund Project to cover annual medical insurance for six hundred (600) vulnerable families at a cost of Kshs.3,600,000. However, as at the time of audit in October 2025, Management of Gem NG-CDF had not started to implement the project despite receiving approval and funds for the project on 6 March, 2025.

In the circumstances, failure to implement the project in a timely manner may result in non-achievement of the intended objectives, denial of essential health services to the targeted vulnerable families, and possible reallocation or loss of funds due to inactivity.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Incomplete Asset Register

Review of the assets register provided for audit revealed that the register was incomplete and it lacked critical details such as; net book values for all the assets, serial numbers for most assets, payment voucher numbers for all assets and the depreciation and accumulated depreciation amounts were missing. Further, there were seven motorcycles that have been grounded. Management did not provide evidence an annual assets disposal plan prepared for items declared as unserviceable, surplus, or obsolete, obsolescence stores, asset or equipment as set out under to Regulation 176(1) of the Public Procurement and Assets Disposal Regulations, 2020 and Section 53(4) of the Act.

In the circumstances, incomplete asset records may lead to inaccurate financial reporting, loss or misuse of public assets, and non-compliance with legal and regulatory requirements governing asset management and disposal.

The completeness of assets could therefore not be confirmed.

2. Lack of Risk Management Policy and Disaster Recovery Plan

As at the time of the audit, the Fund had not yet formulated a Risk Management Policy. Further, there was no Disaster Recovery and Business Continuity Plan in place, contrary to the provisions of Section 165(1)(b) of the Public Finance Management Act, 2012. The Fund therefore lacks a formal basis of evaluating risks and associated impact, and the required mitigation measures in the event of occurrence of risks. To this extent, Fund Management is in breach of the provisions of Regulation 165(1)(b) of the Public Finance Management Act (National Government) Regulations, 2015.

In the event of a catastrophe the Fund is highly exposed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2025

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

National Government Constituencies Development Fund (NGCDF)

Gem 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	<i>Insert Current 2025</i>
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		-
Finance income	8	-
Miscellaneous income	9	-
Total revenue		188,414,052
Expenses		
Employee costs	10	5,660,576
Committee expenses	11	4,260,960
Use of Goods and Services	12	5,598,583
Other Government Units Actual expenditure	13	55,968,162
Other Grants and Transfers Actual expenditure	14	63,434,218
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	1,469,458
Total expenses		136,391,957
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		52,022,095

The Constituency financial statements were approved by the NGCDFC on _____ 2025 and signed by:

Chairman NG-CDF
Committee

Name: John Ogam
Maramba

National Sub-County
Accountant

Name: Benson Khisa

ICPAK M/No: 20486

Fund Account Manager

Name: Henry Samson Juma
Opilo

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

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

	Note	<i>Insert Current FY</i> 2024/2025	<i>Opening</i> <i>Statement 1st July</i> 2025
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	133,042,640	63,975,248
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	58,414,052	75,045,984
Prepayments	22	127,902	-
Total Current Assets		191,584,594	139,021,232
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		191,584,594	139,021,232
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	794,093	310,500
Lease Liabilities	28	-	-
Gratuity Provision	29	2,035,390	1,977,716
Total Current Liabilities		2,829,483	2,288,216
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,829,483	2,288,216
Net Assets (A-B)		188,755,111	136,733,016
Represented by:			
Revaluation Reserves		188,755,111	136,733,016
Accumulated Surplus			
Total Net Assets		188,755,111	136,733,016

National Government Constituencies Development Fund (NGCDF)

Gem Constituency

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

The Constituency financial statements set out on pages 40 to 41 approved by NG CDFC on 2/12/ 2025 and signed by:

Chairman NG-CDF
Committee

Name: John Ogam
Maramba

National Sub-County
Accountant

Name: Benson Khisa

ICPAK M/No: 20486

Fund Account Manager

Name: Henry Samson Juma
Opilo

National Government Constituencies Development Fund (NGCDF)
Gem 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 30 th June 2024	35,039,719		35,039,719
Adjustments			
Recognition of Assets	102,216,756		102,216,756
Recognition of Liabilities	523,459		523,459
As at July 1, 2024	136,733,016		136,733,016
Surplus/(Deficit) For the Period	52,022,095		52,022,095
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	188,755,111	-	188,755,111

Note:

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

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

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		205,045,984
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		205,045,984
Payments		
Employee costs		5,602,902
Committee expenses		4,260,960
Use of Goods and Services		5,726,485
Other Government Units Certified Works		55,795,186
Other Grants and Transfers		63,123,601
Digital Hubs Expenses		1,469,458
Total Payments		135,978,592
Net Cash Flows from/ (used in) Operating Activities	30	69,067,392
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		69,067,392
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		69,067,392
Cash and cash equivalents at 1 July	19	63,975,248
Cash and cash equivalents at 30 June 2025	19	133,042,640

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

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	63,975,248	75,045,984	327,435,284	269,021,232	58,414,052	82%
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
Totals	188,414,052	63,975,248	75,045,984	327,435,284	269,021,232	58,414,052	82%
Expenses							
Employee costs	4,631,258	3,463,996	-	8,095,254	5,602,902	2,492,352	69%
Committee expenses	5,185,560	690,551	-	5,876,111	4,260,960	1,615,151	73%
Use of Goods and Services	4,787,959	1,845,717	-	6,633,676	5,726,485	907,191	86%
Other Government Units Certified Works	92,078,811	33,992,840	64,332,672	190,404,323	55,795,186	134,609,137	29%

*National Government Constituencies Development Fund (NGCDF)
Gem 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		
Other Grants and Transfers	64,875,538	23,982,144	5,768,924	94,626,606	63,123,601	31,503,005	67%
Digital Hubs Expenses	3,354,925	-	1,544,388	4,899,313	1,469,458	3,429,855	30%
Funds Pending Approval**	13,500,000	-	3,400,000	16,900,000	-	16,900,000	0%
Total Expenditure	188,414,052	63,975,248	75,045,984	327,435,284	135,978,592	191,456,692	42%
Surplus for the period					133,042,640	(133,042,640)	

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


Explanatory Notes.


We have achieved 82% on transfers from Board because disbarments delayed. Funds amounting to Kshs. 58,414,052 was still pending disbursement as at 30th June 2025.


Gratuity amounting to Kshs. 2,035,389.87 Was still held in the account hence reducing expenditure on employee cost. Expenditure on hubs was 30% due to late approval of the digital hub projects.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	191,456,692
Less undisbursed funds receivable from the Board as at 30 th June 2025	58,414,052
Cash and Cash Equivalents at the end of the 30 th June 2025	133,042,640

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 2/12/ 2025 and signed by:


Fund Account Manager
Name: Henry Samson Juma Opilo


National Sub-County Accountant
Name: Benson Khisa
ICPAK M/No: 20486


Chairman NG-CDF Committee
Name: John Ogam Maramba

National Government Constituencies Development Fund (NGCDF)

Gem Constituency

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

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		3,463,996	-	8,095,254	5,602,902	2,492,352
1.2 Committee allowances	1,888,000	-	-	1,888,000	1,830,480	57,520
1.3 Use of goods and services	3,730,593	1,845,717	-	5,576,310	5,230,000	346,310
Sub-total	10,249,851	5,309,713	-	15,559,564	12,663,382	2,896,182
2.0 Monitoring and evaluation						
2.1 Capacity building	2,271,560	690,551	-	2,962,111	1,404,480	1,557,631
2.2 Committee allowances	1,026,000	-	-	1,026,000	1,026,000	-
2.3 Use of goods and services	1,057,366	-	-	1,057,366	496,485	560,881
Sub-total	4,354,926	690,551	-	5,045,477	2,926,965	2,118,512
3.0 Emergency						
3.1 Primary Schools						
Mulare Primary School	-	400,000	-	400,000	369,000	31,000

National Government Constituencies Development Fund (NGCDF)
Gem 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
Sagam Primary school school	400,000	250	-	400,250	400,000	250
Sinaga Primary School	1,000,000	11	-	1,000,011	990,000	10,011
Karuwa Primary	400,000	-	-	400,000	400,000	-
Masinde Primary school	600,000	79,434	-	679,434	-	679,434
Nango Gondo Primary	1,400,000	16,305	-	1,416,305	1,404,000	12,305
Mwadi Primary	400,000	-	-	400,000	359,833	40,167
Gongo Primary	400,000	-	-	400,000	-	400,000
Gongo Primary	400,000	-	-	400,000	-	400,000
Gongo Primary	60,000	-	-	60,000	-	60,000
Uyonga primary school	400,000	8,574	-	408,574	-	408,574
Luri Primary School	400,000	-	-	400,000	-	400,000
Ndere primary school	400,000	-	-	400,000	-	400,000
Gogo primary	400,000	800,000	-	1,200,000	-	1,200,000
3.2 Secondary schools						
Nyabeda Secondary	400,000	19,043	-	419,043	379,833	39,210
Nyasidhi secondary	400,000	-	-	400,000	-	400,000
3.3 Tertiary institutions						
3.4 Security projects						

National Government Constituencies Development Fund (NGCDF)
Gem 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
Yala AP Camp	400,000	57,969	-	457,969	397,966	60,003
OCPD YALA	360,000	349,199	-	709,199	659,708	49,491
Sub County Registration Office	400,000	-	-	400,000	20,025	379,975
Wagai DCC	280,000	-	-	280,000	149,904	130,096
Unutilized	1,016,529	428,064	-	1,444,593		1,444,593
Sub-total	9,916,529	2,158,848	-	12,075,377	5,530,269	6,545,108
4.0 Bursary and Social Security						
4.1 Primary Schools		-	-	-		-
4.2 Secondary Schools	31,450,000	-	-	31,450,000	33,004,600	(1,554,600)
4.3 Tertiary Institutions	13,000,000	2,366,604	-	15,366,604	10,580,000	4,786,604
4.4 Universities	1,449,009	-	-	1,449,009	475,000	974,009
4.5 Social Security	3,600,000	7,200,000	-	10,800,000	-	10,800,000
Sub-total	49,499,009	9,566,604	-	59,065,613	44,059,600	15,006,013
5.0 Climate Change Mitigation						
Kambare Primary School	350,000	-	-	350,000	-	350,000
Rachare Primary	-	22,743	200,000	222,743	191,379	31,364
Uthanya Primary	-	1,975	200,000	201,975	-	201,975

National Government Constituencies Development Fund (NGCDF)
Gem 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
Nyangulu Primary	-	81,691	200,000	281,691	80,000	201,691
Masinde Primary school	-	79,434	200,000	279,434	59,994	219,440
Mwadi Primary	-	2,628	384,464	387,092	384,050	3,042
St.Pauls siriwo secondary school	-	-	384,460	384,460	384,460	-
Ujimbe Primary	-	-	200,000	200,000	-	200,000
Muhanda primary	-	-	200,000	200,000	-	200,000
Miro primary	-	-	200,000	200,000	181,379	18,621
Gongo Primary School	350,000	-	-	350,000	-	350,000
Sub-total	700,000	188,470	2,168,924	3,057,394	1,281,262	1,776,132
6.0 Primary Schools Projects (List all the Projects)						
Abuche Primary school	-	789,844	-	789,844	721,097	68,747
Ahono Primary school	-	758,993	-	758,993	703,680	55,313
Anyiko Primary	-	2,555	2,500,000	2,502,555	2,450,000	52,555
Apuoyo Primary School	-	733,411	66,589	800,000	722,993	77,007
Apuoyo Primary School	-	-	1,200,000	1,200,000	991,805	208,195
Apuoyo Primary School	400,000	-	-	400,000	335,775	64,225
Asayi Primary School	1,000,000	-	-	1,000,000	-	1,000,000

National Government Constituencies Development Fund (NGCDF)
Gem 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
Bar Kawandu Primary School	-	10,526	-	10,526	-	10,526
Bar Sauri Primary school	-	53,088	-	53,088	-	53,088
Bar Turo Primary School	600,000	-	-	600,000	-	600,000
Bar-Kalare Primary school	-	397,950	-	397,950	379,999	17,951
Dhene Primary	-	-	1,200,000	1,200,000	1,199,000	1,000
Dienya Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Gogo Primary School	1,000,000	56,423	1,200,000	2,256,423	59,240	2,197,183
Gogo Primary School	-	-	-	-	39,975	-
Gongo Primary School	1,000,000	-	2,000,000	3,000,000	-	3,000,000
Got Kokwiri primary school	-	110	-	110	-	110
Got Regea Primary school	-	15,061	2,500,000	2,515,061	2,500,025	15,036
Jina Primary school	-	802,989	-	802,989	744,689	58,300
JM Obidha Primary School	1,500,000	1,198,975	-	2,698,975	1,139,685	1,559,290
Kagilo Primary school	-	599	800,000	800,599	739,739	60,860
Kanyadet Primary school	-	235,757	-	235,757	180,219	55,538
Kanyilaji Primary School	500,000	64,258	-	564,258	-	564,258
Kanyilaji Primary school	-	64,258	-	64,258	-	64,258
Kanyuto Primary School	600,000	-	-	600,000	-	600,000
Karariw Primary School	1,000,000	-	-	1,000,000	-	1,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kaudha Primary school	600,000	39,730	-	639,730	-	639,730
Kaumeri primary	-	2,400	-	2,400	-	2,400
Kayieye primary	-	3,713	1,200,000	1,203,713	368,708	835,005
Kayieye special primary school	-	-	1,200,000	1,200,000	1,154,491	45,510
Kojuok Primary school	-	2,948	-	2,948	-	2,948
Komuok Primary school	-	52,568	-	52,568	-	52,568
Kotoo Primary School	1,000,000	8,283	-	1,008,283	-	1,008,283
Kudho Primary school	-	50,689	-	50,689	41,552	9,137
Ligoma Primary school	-	16,573	-	16,573	-	16,573
Lihanda Primary School	400,000	-	4,316,083	4,716,083	4,297,820	418,264
Lundha Primary School	-	49,882	-	49,882	-	49,882
Luri Primary School	400,000	-	-	400,000	-	400,000
Malanga Primary school	-	242,178	-	242,178	31,570	210,608
Malele Primary	-	803,205	-	803,205	762,165	41,040
Maliera Primary	-	689,386	-	689,386	591,226	98,160
Malunga primary	-	-	83,917	83,917	67,982	15,935
Malunga primary	-	1,463,884	1,200,000	2,663,884	2,244,837	419,047
Masene Primary school	-	2,041,543	-	2,041,543	1,898,224	143,319
Migosi Primary School	1,000,000	-	-	1,000,000	-	1,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mindhine Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Mingao Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Ming'awo Primary	-	19,760	-	19,760	-	19,760
Miro primary	-	32,718	-	32,718	-	32,718
Miro Primary school	-	-	800,000	800,000	639,560	160,440
Muhanda Primary School	3,000,000	1,248	-	3,001,248	-	3,001,248
Muhanda Primary School	400,000	-	-	400,000	-	400,000
Mundo ware primary school	-	115,179	-	115,179	-	115,179
Musembe Primary School	1,000,000	1,344	-	1,001,344	-	1,001,344
Mutumbu Primary School	4,078,811	2,762	8,300,000	12,381,573	-	12,381,573
Mutumbu Primary School	-	4,078,811	-	4,078,811	-	4,078,811
Mutumbu Primary School	-	-	15,166,083	15,166,083	-	15,166,083
Ndegwe Primary	-	34,860	-	34,860	-	34,860
Ndere Primary School	1,000,000	17,833	-	1,017,833	769,753	248,080
Ndere Primary School	-	-	800,000	800,000	-	800,000
Ndiru primary school	1,000,000	19,000	-	1,019,000	-	1,019,000
Ndori Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Nyabeda Primary School	900,000	833,067	-	1,733,067	1,178,058	555,009
Nyagondo primary	-	26,166	-	26,166	-	26,166

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nyalunya Primary	-		1,200,000	1,200,000	487,541	712,459
Nyamninia Primary School	-	384,562	-	384,562	60,600	323,962
Nyapiedho Primary School	1,000,000	3,413	-	1,003,413	-	1,003,413
Nyasidhi Primary School	1,000,000	53,260	-	1,053,260	52,000	1,001,260
Nyawara Primary School	-	43,447	-	43,447	-	43,447
Odendo Primary School	-	49,058	-	49,058	-	49,058
Odok Rera Primary School	-	598,975	-	598,975	540,001	58,974
Ojola Primary	-	-	2,300,000	2,300,000	-	2,300,000
Olengo Primary	1,000,000	62,967	-	1,062,967	59,958	1,003,009
Omindo Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Omindo Primary School	-	1,320		1,320	-	1,320
Onding primary	-	-	1,200,000	1,200,000	823,205	376,795
Onyinyore Primary School	400,000	895	-	400,895	358,986	41,909
Opal Primary School	-	8,940	-	8,940	-	8,940
Oseno Primary School	1,000,000	3,993	-	1,003,993	-	1,003,993
Pala Valley Primary school	-	1,147,316	-	1,147,316	1,079,900	67,416
Rawalo Primary school	400,000			400,000	-	400,000
Sidada Primary School	1,500,000	6,945	-	1,506,945	-	1,506,945
Sinaga Primary School	1,500,000	-	-	1,500,000	-	1,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sinaga Primary School	400,000	-	-	400,000	-	400,000
Sirandu Primary School	1,500,000	43,411	-	1,543,411	42,000	1,501,411
Sirembe Primary school	400,000	-	-	400,000	-	400,000
Sirembe primary school	-	42,285	-	42,285	41,000	1,285
Sirodha Primary School	1,000,000	40,782	800,000	1,840,782	797,518	1,043,264
St. Bonface Aluor Mixed primary School	-	802,760	-	802,760	760,000	42,760
St. Teresas Yala primary school	-	47,065	-	47,065	-	47,065
St. Annes Marenyo Primary school	-	1,201,313	-	1,201,313	1,199,980	1,333
Tatro Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Tatro Primary School	400,000	-	-	400,000	-	400,000
Tatro Primary school	-	2,850	-	2,850	-	2,850
Uganga Pimary School	600,000	-	-	600,000	-	600,000
Uganga Primary school	-	39,618	-	39,618	-	39,618
Uhonya Primary school	-	1,198,975	-	1,198,975	1,145,890	53,085
Ujimbe Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Ulamba Primary School	1,000,000	227	-	1,000,227	-	1,000,227
Unami Primary School	1,000,000	1,205,370	-	2,205,370	1,300,574	904,796
Unami Primary School	-	100,000	-	100,000	-	100,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Uranga Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Wambusa Primary school	-	120,068	-	120,068	120,000	68
Wangu Primary school	600,000	2,000	-	602,000	-	602,000
Yala Township primary	-	2,019	-	2,019	-	2,019
Sub-total	46,578,811	23,173,383	50,032,672	119,784,866	35,883,018	83,941,823
7.0 Secondary Schools Projects						
Anyiko Secondary School	1,000,000	717	-	1,000,717	-	1,000,717
B.A Ohanga Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
Bar Sauri Secondary School	2,000,000	-	1,000,000	3,000,000	-	3,000,000
Gongo Warom secondary	-	2,773	2,500,000	2,502,773	2,499,434	3,339
Kambare Secondary school	9,600,000	421	-	9,600,421	-	9,600,421
Kaudha secondary	-	19,784	2,500,000	2,519,784	2,499,325	20,459
Lundha Secondary School	3,000,000	-	-	3,000,000	-	3,000,000
Malele Secondary School	3,000,000	14,740	-	3,014,740	-	3,014,740
Ndegwe secondary school	400,000	1,915	-	401,915	-	401,915
Nyangulu Secondary School-	2,500,000	100,005	-	2,600,005	99,000	2,501,005
Nyapiedho secondary	-	40,219	-	2,540,219	2,499,000	41,219

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nyawara Girls Sec School	5,000,000	-	-	5,000,000	-	5,000,000
Nyawara Girls Sec School	2,000,000	-	-	2,000,000	-	2,000,000
Sinaga Girls secondary	-	2,202,530	-	2,202,530	1,200,000	1,002,530
Siriwo Secondary School	1,200,000	18,115	-	1,218,115	17,000	1,201,115
Siriwo Secondary School	1,800,000	-	-	1,800,000	-	1,800,000
Wagai Secondary School	9,600,000	1,220	-	9,601,220	42	9,601,178
Yala Township Secondary	1,000,000	-	-	1,000,000	399,000	601,000
Yala Township Secondary	2,000,000	2,059,808	-	4,059,808	399,000	3,660,808
Yala Township Secondary	400,000	-	1,800,000	2,200,000	-	2,200,000
Dienya Secondary	-	3,500,047	-	3,500,047	3,450,999	49,048
Nyamninia Sec School	-	103,204	-	103,204	100,000	3,204
Lihanda Mixed	-	930,750	-	930,750	929,770	980
Luri mixed	-	1,815,177	-	1,815,177	1,814,211	966
Sub-total	45,500,000	10,811,422	10,300,000	66,611,422	15,906,781	50,704,641
8.0 Tertiary institutions Projects (List all the Projects)						
Rera KMTC	-	8,035	4,000,000	4,008,035	4,005,387	2,648
Sub-total	-	8,035	4,000,000	4,008,035	4,005,387	2,648
9.0 Security Projects						

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sirembe Police Station	1,000,000	-	-	1,000,000	-	1,000,000
Got Regea Police post	1,000,000	-	-	1,000,000	-	1,000,000
Nguge Assistant Chief's office	300,000	-	-	300,000	-	300,000
Marenyo Assistant Chief Office	1,000,000	-	-	1,000,000	-	1,000,000
Bar Kalare Police Post	1,000,000	-	-	1,000,000	-	1,000,000
Urii Assistant Chiefs Office	-	1,198,975	-	1,198,975	1,121,150	77,825
Ndere Assistant Chiefs office	-	-	500,000	500,000	-	500,000
Yala police Camp	-	4,501,475	-	4,501,475	4,061,082	440,393
Mutumbu Chief Camp	-	525	1,000,000	1,000,525	896,750	103,775
Wagai DCC Office	-	3,087,320	-	3,087,320	2,848,183	239,137
Ramula Administration Police (AP)'s Camp	-	67,359	-	67,359	-	67,359
Malanga Division ACC's office	-	5,347	-	5,347	-	5,347
Ndere AP Camp	-	501,877	-	501,877	-	501,877
Kaudha west Assistant Chief	-	2,000	-	2,000	-	2,000
Wagai Police	-	2,000,000	1,000,000	3,000,000	2,851,014	148,986
Ulamba Assistant Chief	-	1,349	-	1,349	-	1,349
Sub-total	4,300,000	11,366,227	2,500,000	18,166,227	11,778,179	6,388,048
10.0 Acquisition of assets						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.2 Purchase of furniture and fittings	460,000	-	1,100,000	1,560,000	-	1,560,000
12.2 Construction of CDF office	-	-	-	-	-	-
10.3 Purchase of furniture and equipment	-	-	-	-	-	-
10.4 Purchase of computers	-	-	-	-	-	-
10.5 Purchase of land	-	-	-	-	-	-
Sub-total	460,000	500,000	1,100,000	2,060,000	474,291	1,560,000
11.0 Digital Hubs						
Mutumbu ICT hub	-	-	1,544,388	1,544,388	1,469,458	74,930
Ulumbi Digital Hubs (yala Township ward)	1,508,189	-	-	1,508,189	-	1,508,189
Ulumbi Digital Hubs	284,100	-	-	284,100	-	284,100
Ulumbi Digital Hubs	1,562,637	-	-	1,562,637	-	1,562,637
Sub-total	3,354,925	0	1,544,388	4,899,313	1,469,458	3,429,855
12.0 Others						
NG-CDF Strategic Plan	-	201,995	-	201,995	-	201,995
Sub total	-	201,995	-	201,995	-	201,995

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
13.0 Funds pending approval**						
13.1 Unapproved projects						
Wagai Police Station	8,000,000	-	-	8,000,000	-	8,000,000
Kagilo Secondary	1,000,000	-	-	1,000,000	-	1,000,000
Nyamninia Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Wagai Secondary School	3,000,000	-	3,400,000	6,400,000	-	6,400,000
Siriwo Primary school	500,000	-	-	500,000	-	500,000
Sub-total	13,500,000	-	3,400,000	16,900,000	-	16,900,000
Total	188,414,052	63,975,248	75,045,984	327,435,284	135,978,592	191,470,958

(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 Gem Constituency principal activity is service delivery through improvement of infrastructure and provision of bursaries to needy students within the constituency.

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 Gem 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 Gem 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

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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. <i>Not applicable</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>Not applicable</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure

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	assets. <i>Not applicable</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <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. The standard also introduces a public sector specific measurement bases called the current operational value. <i>Not applicable</i>
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. <i>Not applicable</i>
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. <i>Not applicable</i>
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. <i>Not applicable</i>

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

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

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 30 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

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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 2*

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

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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:

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- 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.

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6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

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

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10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,104,381
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,284,702
Employer Contributions Compulsory national social security schemes	209,405
Employer Contributions Compulsory Housing levy	57,088
Employer contributions to National Industrial Training Authority	5,000
Other Specify	-
Total	5,660,576

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	3,411,460
Other Committee expenses	849,500
Total	4,260,960

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12. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	19,219
Communication, supplies and services	305,040
Domestic travel and subsistence	1,411,900
Printing, advertising and information supplies & services	77,241
Office Rent	-
Training expenses	915,000
Hospitality supplies and services	170,000
Insurance costs	15,742
Specialized materials and services	-
Office and general supplies and services	938,800
Fuel, oil & lubricants	670,000
Bank charges	59,489
Routine maintenance – vehicles and other transport equipment	475,183
Routine maintenance – other assets	-
Strategic plan expenses	122,000
Other operating expenses	418,970
Total	5,598,583

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	36,045,994
Secondary Schools Actual expenditure	15,916,781
Tertiary Institutions Actual expenditure	4,005,387
Total	55,968,162

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14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	33,004,600
Bursary – tertiary institutions	10,580,000
Bursary – special schools	475,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	12,063,828
Climate change mitigation projects	1,281,262
Emergency projects Actual expenditure	5,530,269
Roads projects Actual expenditure	-
Others specify	499,259
Total	63,434,218

15. Depreciation and Amortization Expenses

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

16. Digital Hubs Expenses

Description	2024/2025
	Kshs
Construction/ renovation/ Actual expenditure	1,469,458
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	1,469,458
Total	1,469,458

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Gem NG-CDF Account No.011141256320000(Operations account)</i>	30,445,588	37,017,434
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Gem NG-CDF Deposit account No.1332932347 (Deposit account)</i>	1,925,355	-
PMC accounts-VariouS Banks Listed in Annex 2 <i>(PMC accounts)</i>	100,671,697	26,957,813
Total	133,042,640	63,975,248
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

Description	2024/2025		Opening Statement 1 st July 2025	
	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)	-	-	-	-

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	58,414,052		74,045,984	
Outstanding imprest	-		-	
Total	58,414,052		74,045,984	
Ageing Analysis- Receivables from non-exchange transactions	Insert	% of the	Opening	% of the
	Current FY	total	Balance	total
Less than 1 year	58,414,052	100%	74,045,984	99%
Between 1-2 years	-	%	1,000,000	1%
Over 3 years	-	%	-	%
Total	58,414,052	100%	75,045,984	%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	127,902		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	127,902		-	

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23. Property, Plant and Equipment

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

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Valuation

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

23 b) Property, Plant and Equipment at Cost

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

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

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

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

24. Intangible Assets

Description	2024/2025
	Kshs
Cost	
Opening balance at 1 st July 2025	-
Additions	-
Disposal	-
At end of the 2025	-
Amortization and impairment	-

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At beginning of the year	-
Amortization	-
At end of the year	
Impairment loss	-
At end of the year	-
NBV at July 1 st 2025	-
NBV at June 30 th 2025	-

25. Right-of use assets

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

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26. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables		-		-
Employee payables		-		-
Other payables		-		-
Total trade and other payables		-		-
Aging analysis: (Trade and other payables)	Current FY	% of the Total	1 st 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

	2024/2025
	KShs
Retention as at 1 st July (A)	310,500
Retention held during the year (B)	1,265,365
Retention paid during the Year (C)	781,772
Closing Retention as at 30th June D= A+B-C	794,093

Retentions aging analysis.

	2024/2025	% of the total	Insert Comparative FY2023/2024	% of the total
Less than 1 year	794,093	100%	-	%
1-2 years	-	%	310,500	100%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	794,093	100%	310,500	100%

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28. Lease Liabilities

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

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	2024/2025	2023/2024
	Kshs	Kshs.
Gratuity at the beginning of the year 1 st of July	1,977,716	-
Gratuity held during the year	1,284,702	1,977,715
Gratuity paid during the year	1,227,028	-
Total Gratuity Provision 30th June (A+B-C)	2,035,389	1,977,715

30. Cash Generated from Operations

	FY 2024/2025
	Kshs
Surplus/Deficit for the year	52,022,095
Adjusted for:	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
	-
Working capital adjustments	-
Increase/decrease in receivables	-
	-
Increase/decrease in payables	-
	-
Net cash flow from operating activities	52,022,095

(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.

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Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024/2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	58,414,052	58,414,052	-	-
Bank balances	133,042,640	133,042,640	-	-
Total	191,456,692	191,456,692	-	-
As at 30 June 2023/2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	75,045,984	75,045,984.00	-	-
Bank balances	63,975,248	63,975,248	-	-
Total	139,021,232	139,021,232	-	-

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 2024. 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.

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ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024/2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions(retentions)	-	-	794,093	794,093
Deferred income	-	-	-	-
Gratuity Provision	-	-	2,005,443	2,005,443
Total	-	-	2,799,536	2,799,536
As at 30th June 2023/2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions (retention)	-	-	310,500	310,500
Deferred income	-	-	-	-
Employee benefit obligation	-	-	1,977,715	1,977,715
Total	-	-	2,288,215	2,288,215

iii) Market risk

The *GEM NG-CDF* 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

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

2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2024/2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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Foreign currency sensitivity analysis
2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024/2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

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

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

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.

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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.

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 2024/2025				
Financial Assets				
Quoted Equity Investments	N/A	N/A	N/A	N/A

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Non- Financial Assets				
Investment Property	N/A	N/A	N/A	N/A
Land And Buildings	N/A	N/A	N/A	N/A
Total				
As at 30th June 2023/2024			N/A	N/A
Financial Assets				
Quoted Equity Investments	N/A	N/A	N/A	N/A
Non- Financial Assets				
Investment Property	N/A	N/A	N/A	N/A
Land And Buildings	N/A	N/A	N/A	N/A
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	FY2024/2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	N/A	N/A
Retained Earnings	N/A	N/A
Capital Reserve	N/A	N/A
Total Funds	N/A	N/A
Total Borrowings	N/A	N/A
Less: Cash and Bank Balances	N/A	N/A
Net Debt/(Excess Cash And Cash Equivalentents)	N/A	N/A
Gearing	N/A	N/A

32. Related Party Disclosures

	2024/2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		

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Sitting allowance of committee Members during the year	4,260,960	6,927,278
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	205,045,984	205,049,053
Total	209,306,944	211,976,331

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	-	-

Contingent Liabilities

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities		
Court Case against the Entity	-	-

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Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

Capital Commitments		<i>Opening Statement 1st July 2024</i>
	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 Gem Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

38. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-			
Buildings and structures	5,653,100	-	-	5,653,100
Transport equipment	7,737,095	-	-	7,737,095
Office equipment, furniture, and fittings	297,824	-	-	297,824
ICT Equipment and Other ICT Assets	310,000	-	-	310,000
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	-	-	-	-
	13,998,019	-	-	13,998,019

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Abuche Primary School	01141740898100	Coop Yala	68,747	789,844
Ahono Primary School	01100719630001	Coop Yala	55,313	758,993
Anyiko Primary	01100719630020	Coop Yala	52,555	2,555
Apuoyo Mixed Secondary School	01141740810700	Coop Yala	5,430	5,430
Apuoyo Primary School	1141517941100	Coop Yala	351,505	2,078
Argwings Kodhek Secondary School	1120279547497	Equity Luanda	6,837	6,837
Asayi Primary	1120286560010	Equity Luanda	1,000,000	-
Bar Kalare Primary School	01100671485001	Coop Yala	17,951	397,950
Bar Kawandu Primary School	1141740879100	Coop Yala	10,526	10,526
Bar Sauri Mixed Secondary	1120279143485	Equity Luanda	1,053,088	53,088
Bar Sauri Primary School	1120279143485	Equity Luanda	53,088	53,088
Barturo Primary School	01141517871000	Yala	65,035	125,035
Dhene Primary	1120262520110	Equity Luanda	1,000	-
Dienya Mixed Secondary School	1120277342545	Equity Luanda	49,048	3,500,047
Dienya primary school	1120279143485	Equity Luanda	1,500,000	-
Gamba Tti	1120280187887	Equity Luanda	-	-
Gem Ng-Cdf Sports Pmc	1120277537532	Equity Luanda	-	2,120

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Gogo Primary	1141740050600	Coop Yala	3,330,520	29,735
Gongo Primary School	01141256395100	Coop Yala	3,916,423	56,423
Gongo Warom Mixed Secondary School	01141517515600	Yala	3,339	2,773
Got Kokwiri Primary	01141740060900	Yala	110	110
Got Regea Primary School	1141740050600	Coop Yala	15,036	15,060
J.M Obidha Primary School	01100718517001	Coop Yala	59,290	1,198,975
Jina Primary School	01141517746800	Coop Yala	58,300	802,989
Jina Secondary	1141517746800	Coop Yala	3,295	3,295
Kagilo Primary School	1131013572800	Coop Yala	60,860	599
Kambare Secondary School	01141624731800	Bondo	9,600,421	421
Kanyadet Primary School	1120280050957	Equity Luanda	55,538	235,757
Kanyilaji Primary School	01141740237200	Coop Yala	64,258	64,258
Kaudha Mixed Secondary School	01141624654700	Bondo	20,459	19,784
Kaudha Primary School	1120277585418	Equity Luanda	639,730	39,730
Kaudha West Assistant Chief	970282861530	Equity Siaya	2,000	2,000
Kaumeri Primary	1120278837137	Equity Luanda	2,400	2,400
Kayieye Primary School	011412576535500	Coop Yala	835,005	3,713
Kojuok Primary	01141740452600	Equity Siaya	2,948	2,948
Komuok Primary School	09702799984585	Coop Yala	52,568	52,568

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Kotoo Primary	1120277347217	Equity Luanda	1,008,283	8,283
Kudho Primary School	1120280135567	Equity Luanda	9,137	50,689
Ligoma Primary School	01141517873500	Yala	16,573	16,573
Lihanda Mixed Sec.	1120297956004	Equity Luanda	980	930,750
Lihanda primary School	1120280135567	Equity Luanda	18,264	-
Lundha Primary	01141740324901	Coop Yala	49,882	49,882
Luri Mixed Secondary School	01141517459100	Coop Yala	966	1,815,177
Luri Primary School	110824054001	Coop Yala	400,000	-
Malanga Division Assistant County Commissioner's Office	01141824049100	Coop Yala	5,347	5,347
Malanga Primary School	01141740442000	Coop Yala	210,608	242,178
Malele Mixed Secondary School	1120280235051	Equity Luanda	14,740	14,740
Malele Primary	1120277585348	Equity Luanda	41,040	803,205
Maliera Boys Secondary School	1120297481800	Equity Luanda	65,777	65,777
Maliera Primary	1120277585348	Equity Luanda	98,160	689,386
Malunga Primary	1141256356500	Coop Yala	434,981	1,463,884
Masene Primary School	01141740204600	Coop Yala	143,319	2,041,543
Masinde Primary School	01141256721400	Coop Yala	898,873	79,434
Ming'Awo Primary	1120279064126	Equity Luanda	19,760	19,760
Miro Primary School	1141517994200	Coop Yala	211,778	32,718

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Muhanda Primary	1120279468184	Equity Luanda	601,248	1,248
Mulare primary	1340055445	Kcb Ugunja	31,000	-
Mundoware Primary School	01141740204300	Coop Yala	115,179	115,179
Musembe Primary	1141517994200	Coop Yala	1,001,344	1,344
Mutumbu Chief Camp	1141740666500	Coop Yala	103,775	525
Mutumbu Girls Secondary	1120277679937	Equity Luanda	106,269	106,269
Mutumbu Ict Hub	1340055449	Kcb Ugunja	74,930	-
Mutumbu Primary	1141517725400	Coop Yala	25,002,762	2,762
Mwadi Primary	1141517994400	Coop Yala	43,208	2,628
Nango Gondo Primary	1120277538018	Equity Luanda	12,305	16,305
Ndegwe Primary	1141256402600	Coop Yala	34,860	34,860
Ndere Ap Camp	01141740500100	Coop Yala	1,877	1,877
Ndere Assistant Chiefs office	1141517994400	Coop Yala	500,000	-
Ndere Mixed Secondary School	1141740880000	Coop Yala	1,915	1,915
Ndere Primary School	1141740880000	Coop Yala	1,448,080	17,833
Ndiru Primary	1120278851798	Equity Luanda	1,019,000	19,000
Ndori Primary Scgool	1120280984801	Equity Luanda	1,000,000	-
Nguge Assistant Chief'S Office	970281038640	Equity Siaya	-	2,100
Nyabeda Primary School	01141256463100	Coop Yala	1,223,933	1,201,992

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Nyabeda Secondary	1141740206900	Coop Yala	39,210	19,043
Nyagondo Primary	1120277345753	Equity Luanda	26,166	26,166
Nyalunya Primary	1141517994400	Coop Yala	712,459	-
Nyamninia Primary School	01108240537001	Coop Yala	323,962	384,562
Nyamninia Secondary School	01141517986000	Coop Yala	3,204	103,204
Nyangulu Mixed	1120279101557	Equity Luanda	4,241	4,241
Nyangulu Mixed Secondary School	0110066661165001	Coop Yala	2,501,005	100,005
Nyangulu Primary	1120279063818	Equity Luanda	201,691	81,691
Nyapiedho Primary	1141517394700	Coop Yala	1,003,413	3,413
Nyapiedho Secondary	1141517394700	Coop Yala	41,219	40,219
Nyasidhi Primary School	1141517989500	Coop Yala	1,260	53,260
Nyasidhi secondary	1340055449	Kcb Siaya	400,000	-
Nyawara Girls Secondary	1120279063818	Equity Luanda	5,000,000	-
Nyawara Primary School	1141740104500	Coop Yala	43,447	43,447
Ocpd Yala Residence	01100907221001	Coop Yala	49,491	349,199
Odendo Primary School	1120279075798	Equity Luanda	57,093	57,093
Olengo Primary	1120279170588	Equity Luanda	3,009	62,967
Omino Primary School	1120277559139	Equity Luanda	1,320	1,320

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Onding Primary	1120279075798	Equity Luanda	376,795	-
Onyinyore Primary School	01141740888800	Coop Yala	41,909	895
Opal Primary School	970294435345	Equity Siaya	8,940	8,940
Oseno Primary School	1120278863471	Equity Luanda	1,003,993	3,993
Palla Valley Primary School	01141257527400	Coop Yala	67,416	1,147,316
Rachare Primary	1120279593683	Equity Luanda	31,364	22,743
Ramula Administration Police (Ap)'S Camp	1120277654040	Equity Luanda	67,359	67,359
Rera Kmtc	1120279359201	Equity Luanda	2,648	8,035
Sagam Mixed Secondary School	00100718715001	Coop Yala	250	250
Sidada Primary School	01141517724600	Coop Yala	1,506,944	6,944
Sinaga Girls	1120298202738	Equity Luanda	1,002,530	202,530
Sinaga Primary School	1100718715001	Coop Yala	10,011	11
Sirandu Primary	01141517735300	Coop Yala	1,501,410	43,410
Sirembe Primary School	01141257487600	Coop Yala	1,284	42,284
Sirodha Primary School	01141740896100	Coop Yala	1,043,264	40,782
St Pauls Siriwo Mixed Secondary School	01141517948500	Coop Yala	1,201,114	18,110
St Peters Wagai Mixed Secondary School	01141517499700	Coop Yala	9,601,178	1,220
St Teresas Yala	01141740687700	Coop Yala	47,064	47,065
St. Annes Marenyo Primary School	01141517698000	Coop Yala	1,332	1,201,313

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
St. Barnabas Anyiko Secondary	1141517719800	Coop Yala	716	716
St. Bonface Aluor Mixed Primary School	1120280088997	Equity Luanda	42,760	802,760
Sub County Registration Office	01101058124001	Coop Yala	379,975	-
Tatro Primary School	1120277585372	Equity Luanda	2,850	2,850
Uganga Primary School	01141517913200	Coop Yala	39,618	39,618
Uhonya Primary School	1100718577001	Coop Yala	53,085	1,198,975
Ujimbe Primary	01139013518701	Coop Yala	1,700,000	-
Ulamba Assistant Chief	1120279063437	Equity Luanda	1,349	1,349
Ulamba Primary School	1141517989400	Coop Yala	1,000,227	227
Ulumbi Digital Hub	1342078519	Kcb Ugunja	3,354,925	-
Unami Primary School	01141517237800	Coop Yala	1,004,797	1,205,370
Uriri Assistant Chiefs Office	1100927018001	Coop Yala	77,825	398,975
Uthanya Primary	1141740885000	Coop Yala	201,975	1,975
Uyonga Primary School	01139013518701	Coop Yala	408,574	8,574
Wagai Dcc Office	01100675322001	Coop Yala	369,233	87,320
Wagai Police Station	1141517499700	Coop Yala	148,986	-
Wagai Primary School	01141256343100	Coop Yala	47,776	70,392
Wambusa Primary School	1120277585389	Equity Luanda	68	120,068
Wangu Primary School	1120282237163	Equity Luanda	602,000	2,000

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Yala Ap Camp	1141740450400	Coop Yala	60,003	57,969
Yala Police Camp	1120279246729	Equity Luanda	440,393	1,475
Yala Police Station	1120279246729	Equity Luanda		7,087
Yala Township Primary	01141517985900	Yala	2,019	2,019
Yala Township Secondary	1141517985900	Coop Yala	2,061,808	59,808
Total			100,671,697	26,957,814

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The statement of receipts and payments reflects use of goods and services expenditure of Kshs.8,360,102 as disclosed in Note 6 to the financial statements. The amount includes routine maintenance- vehicles and other transport equipment expenditure of Kshs.768,864. However, examination of payment vouchers, supporting records and other motor vehicle records maintained by Gem Constituency revealed that the payments were not supported with requisitions from user departments, pre-inspection and</p>	<p>The management agree with the finding however, we wish to state that Hadeu Auto services was the only company listed for servicing and repair of NG-CDF motor vehicle and the services were done based on inspection report from mechanical engineer which were filed in the file for the motor vehicle .(Find the attached copies of inspection reports and invoices)</p>	<p>Not resolved</p>	<p>31st December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>post inspection reports on the alleged vehicles and the request for quotations were not attached. In the circumstances, the validity, accuracy and completeness of the expenditure on routine maintenance of vehicles and other transport equipment expenses amount of Kshs.768,864 could not be confirmed.</p>			
	<p>The Final budget for Transfers from NG-CDF Board was Kshs 285,953,259 against actual amount received of Kshs 210,264,726 resulting to underfunding of Kshs 75,688,533 (26%) which may have adverse effect on the implementation of</p>	<p>We acknowledge the audit observation and would like to provide the following explanation:</p> <ul style="list-style-type: none"> The constituency receives funds from the NGCDF Board, which in turn receives its disbursements from the National Treasury. However, the timely release of funds from 	<p>Not resolved</p>	<p>31st December 2025</p>

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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>the planned activities and projects for the year ended 30th June, 2024. It is also noted that the final budget total payments is Kshs 285,310,709 against actual expenditure of Kshs 174,429,938 resulting to under absorption of budget by Kshs. 110,880,772</p>	<p>the National Treasury to the Board and subsequently to the constituency has been affected by various factors, including delays in the disbursement process at the national level.</p> <ul style="list-style-type: none"> ● In the financial year under review, the NGCDF Board experienced delays in receiving funds, and not all the allocated funds were disbursed within the period. As a result, the constituency was impacted by these late disbursements, which affected the planned activities and the overall utilization of funds. ● It is important to note that, despite these challenges, the constituency received a total of Kshs. 210,264,726 Of this amount, Kshs 174,429,938 was 		

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		<p>successfully spent, representing a 83% utilization rate. While a shortfall in disbursements did occur, the funds that were received were effectively utilized, and the activities that were carried out were largely successful</p>		
	<p>The statement of receipts and payments and as disclosed in Note 8 reflects expenditure of Kshs. 69,462,120 in respect to other grants and transfers. Included in this amount is Kshs. 43,542,000 relating to bursary disbursed to secondary schools, and Kshs.8,759,100 disbursed to tertiary institutions Audit analysis of payment vouchers provided for audit in respect to disbursement of</p>	<p>We acknowledge the finding of the audit however we wish to state that the voucher no.213 of Kshs. 405,000 was erroneously sampled under secondary schools as per the audit report however it was a voucher for tertiary institutions. This brings the total vouchers for secondary and tertiary to be Kshs. 44,074,000 and Kshs. 8,800,000 respectively. In comparison with the financial statement figures, the differences for</p>	<p>Not resolved</p>	<p>31st December 2025</p>

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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>
	bursary for secondary schools and tertiary institutions were not adding up to the balances reflected in the financial statements resulting into unexplained variance of kshs. 937,000 and Kshs. (364,100) for secondary and tertiary institutions respectively and is tabulated in Appendix 3	secondary schools is Kshs. 532,000 and Kshs. 40,900 for tertiary institutions which were replacements which were erroneously included in the list of beneficiaries attached to voucher no 58 and no. 140 respectively. However, the difference was noted and it's the reason for the varriance.		

Henry Samson Juma Opilo
Fund Account Manager.