

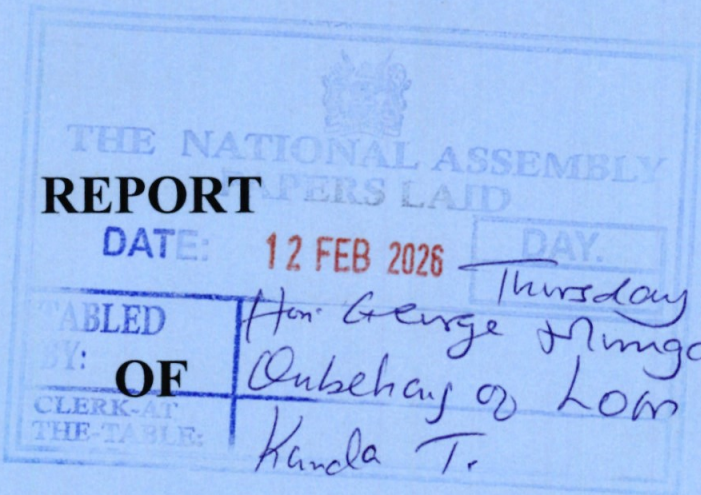
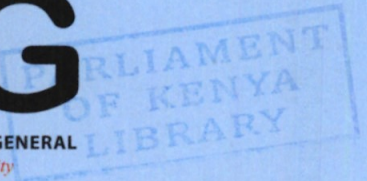
REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND-KIPKELION EAST
CONSTITUENCY**

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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KIPKELION EAST 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)





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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.



2. Key Constituency Information and Management



(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Kipkelion East 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	Mwibiri Francis
2.	National Sub-County Accountant	CPA Phelimon Mbeche
3.	Chairman NGCDFC	Josphat Keter
4.	Member NGCDFC	Chepkemoi Marina (Deposit)

(c) Fiduciary Oversight Arrangements

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

P.O. Box 188-2023
NG-CDF office Block
Engineers-Londiani Town Road
Londiani, KENYA

(e) NGCDF Kipkelion East Constituency Contacts

Telephone: (254) 704480200/ 0724718529
E-mail: cdf@kipkelioneast@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Kipkelion East Constituency Bankers

1. Operations Account.
Kenya Commercial Bank
Branch- Londiani
P.O Box 75104-00200
Nairobi.
2. Deposit account.
Kenya Commercial Bank
Branch- Londiani
P.O. Box 75104-00200,
Nairobi.
3. Project Management Committee Accounts
Kenya Commercial Bank
Londiani Branch
P.O. Box 75104-00200,
Nairobi





(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
 <p>Mr. Josphat Keter-Chairman</p>	<p>He was born on 1st January, 1959 and is the current Chairperson and has served in the same capacity for 3 years in a row. He's aged 66 years, having a bachelor of education. He is a retired teacher having taught at various schools and was principal, Masaita Secondary School before his retirement.</p>
 <p>Chepkemoi Marina- Secretary</p>	<p>She was born on 5th March, 1993 and is the current NG-CDFC Secretary, having served in the same capacity for 3 years in row representing Female(Adult) Aged 32 years and a career high school teacher. She is a holder of Bachelor of Education arts from University of Kabianga. She is currently teaching at Chepcholiet Secondary School</p>
 <p>Evans Ngeny-Member</p>	<p>He was born on 3rd December, 2000 and is the current NG-CDFC member representing Male youth. He is 25 years of age and a holder of Diploma in communication and media at Pan Africa Christian University and currently undertaking bachelor of business administration at USIU Africa. He has served as CDFC for a period of 3 years with over 3 years experience as a lecturer at Skyrich TTI kericho Campus.</p>
 <p>David Sang-Member</p>	<p>He was born on 2nd February, 1961 and is the current NG-CDFC member, a male adult representative. He is 64 years of age and a holder Diploma in Theology from Moffat Bible college. He is a reverend and is engaged in community service</p>

Name	Details
 Diana Chepkemai-Member	<p>She was born on 6th March , 1991 and is the current NG-CDFC member representing Female youth a position She has served for three years</p> <p>He is 34 years of age and a holder of KCSE certificate Currently undertaking certificate in community health assistant at Mt Kenya University</p>
 Richard Kitur-Member	<p>He was born on 3rd January, 1971 is the current NG-CDFC member Representing PWDs has served for 3years. He is 54 years of age and trained Accountant with KASNEB, graduate of KIM with Public Relations, section II and Certificate in business management. He is a businessman and is engaged in community service</p>
 Milka Kaniu-Member	<p>He was born on 5th June, 1965 and is the current NG-CDFC member Representing Female(Adult) she is 60 years of age and a holder Bachelor of Education Arts from Laikipia University. She is a retired teacher having taught for 39 years at Sorget Primary School.</p>
 Amos Melly-Member	<p>He was born on 25th February, 1983 is the co-opted NGCDF member has served for three years He is 42 years old and a holder P1 certificate from Meru Teachers Training college He is a business man and is engaged in community service</p>
 Benard Kipury DCC	<p>He was born on was on 10th June 1975. He is a holder of master in public administration from University of Nairobi with over 30years experience in public administration. He is the current Deputy County Commissioner, Londiani subcounty. He is a member of the NG-CDFC Kipkelion East as a government official.</p>

Name	Details
 <p data-bbox="161 533 491 604">Mr. Mwibiri Francis Fund Account Manager</p>	<p data-bbox="675 271 1460 533">He was born 27th January 1973 He is 52 years of aged served as Fund Account Manager from 2007, a graduate of Bachelor of of Education, Economics and Mathematics from Kenyatta University University. He is a member of NG-CDF Committee as an Officer of the Board and an Ex-official.</p>

Bernard Kikwai- served for 2years representing Male youth having served as NG-CDFC from 21st December 2022 to 21st December 2024

4. NG-CDFC Chairman's Report



Joshat Keter -NGCDFC Chairman

FUNDS DISBURSEMENTS:

Kipkelion East NG-CDF management and PMCs has in the last financial year disbursed and spent Kshs 185,576,325 out of a total allocation of Kshs 179,448,958 plus unspent balance from the FY 2023/2024 of Kshs 55,568,317 and un disbursed Kshs 51,367,111 from the Board making a total budget of Kshs 284,520,627 .

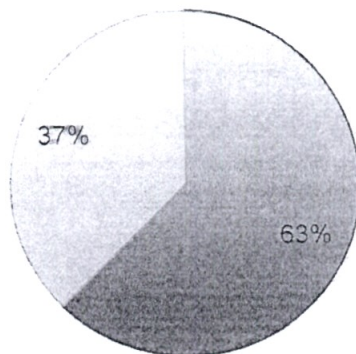
The PMCs spent a total of Kshs 138,332,636 in implementation of various projects while the NG-CDFC disbursed a total of Kshs 185,576,325

GRAPHICALLY

1. BUDGET VS ACTUAL EXPENDITURE FOR THE FY 2024/2025

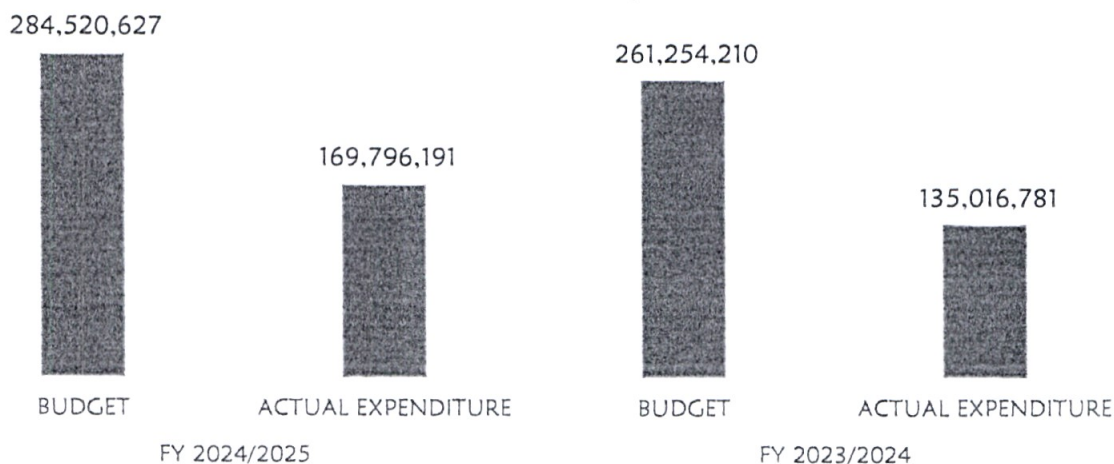
**BUDGET VS ACTUAL EXPENDITURE FY
2024/2025**

■ BUDGET ■ ACTUAL EXPENDITURE



2. COMPARISON BETWEEN FY2024/2025 & FY 2023/2024

COMPARISON: BUDGET VS ACTUAL EXPENDITURE

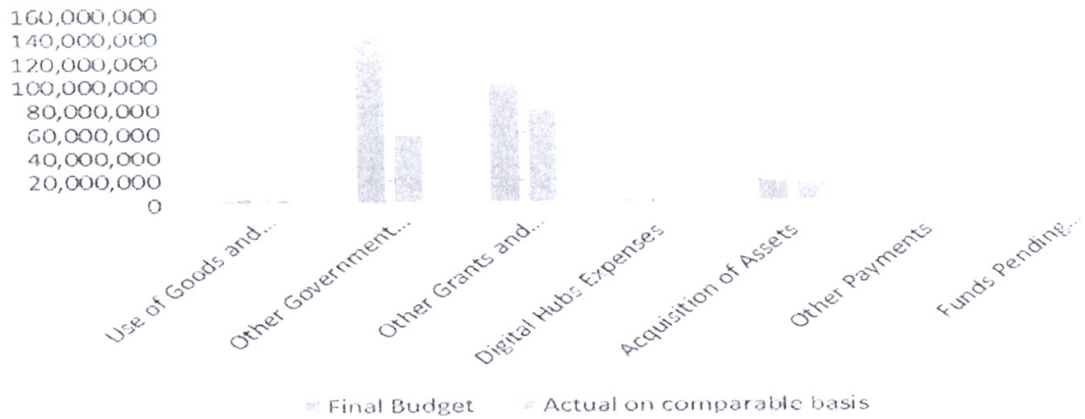


3. EXPENDITURE DURING THE YEAR

	Final Budget	Actual on comparable basis	% of Utilization
Expenses			
Employee costs	6,760,869	4,619,351	68%
Committee expenses	5,027,100	4,719,124	94%
Use of Goods and Services	5,283,302	4,525,593	86%
Other Government Units Certified Works	142,980,293	58,188,216	41%
Other Grants and Transfers	101,658,623	80,144,420	79%
Digital Hubs Expenses	3,000,000	-	0%
Acquisition of Assets	19,505,464	17,299,510	89%
Other Payments	299,976	299,976	100%
Funds Pending Approval**	5,000	-	0%
Total Expenditure	284,520,627	169,796,191	60%

GRAPHICALLY

FINAL BUDGET VS ACTUAL EXPENDITURE



Key Achievements:

The greatest achievements are in project implementation which included improvement of learning structures in schools by construction of classrooms and administration blocks.

The management also constructed several classes during the financial year to create conducive environment for learning:

Sample of the projects implemented:

1. NG-CDF office Block -Construction of NG-CDF office block to completion- Kshs 35.5M



Impact Story: The constituency offices has provided an enabling working environment , motivation to staff, and combine constituency operations in one area.

It provides safety of government documents and equipment, the constituents can have their concerns/issies addressed in one office block . It has also promote efficiency since operations

of the NG-CDF is under one roof. For example display of bursary lists and projects on the constituency notice board

2. Chepseon Complex primary school- Construction of 3-roomed administration block to completion



Impact story:

It provide good working environment for teachers and learners.

It promotes efficiency since teachers and learners concerns/issues can be addressed in one office block. It has improved performance for learners, the school performance has improved since the construction of the administration block. The school is the top performing in the county with the school taking over 90 students to national schools last academic year 2024.

Emerging issues:

Emerging issues include:

1. High demand for bursary due to high poverty index.
2. High cost of building materials due making the cost of building a classrooms higher and hence less number are allocated funds in the Financial Year

Challenges:

1. Some schools are inaccessible due to poor road networks

Way forward

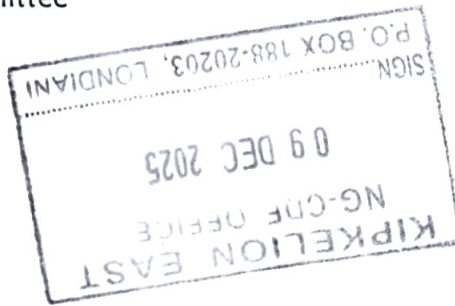
The NG-CDF Board to disburse projects on timely basis for the constituencies to implement projects within the stipulated financial year.

.....

Name: Josphat Keter



Chairman NGCDF Committee



5. Statement Of Performance Against Predetermined Objectives for FY2024/2025

Introduction

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

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

- To mobilize more resources for community development.
- To improve safe water supply.
- To improve the health standards of the constituency.
- To improve infrastructure, especially schools and roads within the constituency.
- To build capacity of the community to implement development projects.
- Empower and training of youth

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:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 2024/2025 -we have constructed 3 admin blocks, Renovated 80 classrooms in primary schools, , constructed 20 junior schools classrooms, disbursed bursary for the

Constituency Program	Objective	Outcome	Indicator	Performance
				9,000 needy students, drilled 4 borehole
Security	To have conducive working environment for security agencies	Increased construction of chief's office	Improved security in the area	In FY 2024/2025 we have constructed 1 chiefs offices and 1 ACCs office. The management has also allocated funds for renovation of 10 chiefs offices at kshs 200k
Climate Change Mitigation Activities	To improve environment by carrying out environmental activities	Increased planting of trees both indigenous and fruit trees	Improved environment	In the FY 2024/2025, management did implemented environment projects worth Kshs 1,336,410 for supply and planting of tree seedlings at various institutions.
Emergency	To mitigate disasters through disaster management	Increased capacity building on disaster management	Improved awareness	Management has carried out PMC & CDFC capacity building to improve in the management of NG-CDF funds, disbursed emergency funds worth Kshs 2.3M

6. Governance Statement

Background

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

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

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

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

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

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

a. NG-CDFC process of appointment

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

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

Kenya Subsidiary Legislation, 2016 1951

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

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

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

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

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

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

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

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

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

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

(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 Kipkelion East 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.	Josphat Keter	Male (Adult)	Kedowa/Kimugul
2.	David Sang	Male (Adult)	Tendeno/Sorget
3.	Chepkemai Marina	Female (Adult)	Chepseon
4.	Diana Chemutai	Female (Youth)	Londiani
5.	Milka Kaniu	Female (Adult)	Tendeno/Sorget
6.	Evans Ngeny	Male (Youth)	Chepseon

Nominee of the person representing persons with disability

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	Richard Kitur	National Council Of People Living With Disability	Deformed Limbs	Chepseon

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

S/N	Name	Gender	Ward
1.	Amos melly	Male	Tendeno/Sorget

The list of the selected and recommended members was forwarded to the NG_CDF Board and were further gazetted through a gazette notice dated 25th May, 2025.

The Kipkelion East NG_CDFC Members were gazetted as follows

<i>S/N</i>	<i>Name</i>	<i>Category</i>	<i>Statutory Provision Under NG-CDF Act</i>
1.	Josphat Keter	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
2.	David Sang	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
3.	Diana Chemutai	Female Youth Representative	Appointment, pursuant to Sec. 43 (2) (c)
4.	Chepkemoi Marina	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c)
5.	Richard Kitur	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)
6.	Evans Ngeny	Male Youth Representative	Appointment Pursuant to Sect. 43 (2)(e)
7.	Milka Kaniu	Female Adult Representative	Appointment Pursuant to Sect. 43 (2)(e)

The First NG-CDFC inaugural meeting was held on 8th July, 2025. The members carried out an election for the position of a chairperson and the secretary of the committee. The following member were elected.

	NAME	POSITION	WARD
1	Josphat Keter	Chairperson	Kedowa/Kimugul
2	Chepkemoi Marina	Secretary	Chepseon

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

	NAME	POSITION
1.	Sub-County Director of Education	Chairperson
2.	Mwibiri Francis-FAM	Secretary
3.	Evans Ngeny	Member
4.	Milka Kaniu	Member
5.	Diana Chemutai	Member

2. Complaint Handling & Resolution Sub-Committee

	NAME	POSITION
1.	Benard Kipury-DCC	Chairperson
2.	Chepkemoi Marina	Secretary
3.	David Sang	Member
4.	Amos Melly	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 tenure of the current committee were Gazetted on 21st May 2025. The term of the previous committee members expired on 18th December 2024 and after recruitment process, all the previous members were retain in a period of 2 years. The current term of the committee expires on 21st May 2027 and can be renewed subject to boards guidelines and their performance.

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 Kipkelion East 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 8th July, 2025.

e. NG-CDFC Induction and training

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

f. Number of meetings

Schedule of meetings held during the FY 2024/2025

S. No	Name of committee member	12/07/2024	26/07/2024	16/08/2024	31/08/2024	12/09/2024	29/09/2024	17/10/2024	11/11/2024	21/11/2024	07/12/2024	19/12/2025	18/01/2025	13/02/2025	26/02/2025	25/03/2025	04/04/2025	29/04/2025	13/05/2025	27/05/2025	25/06/2025
1	Josphat Keter - Chairman	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
2	Richard Kitur - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
3	Mwibiri Francis-Fam	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
4	Milka Kaniu - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
5	Chepkemoi Marina - Secretary	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
6	Evans Ngeny - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
7	David Sang - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
8	Amos Melly - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
9	Diana Chemutai - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
10	Benard Kipury-DCC	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance Kshs. 7,000 per meeting and all other members an allowance of Kshs.5, 000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

h. Disclose the policy on conflict of interest

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

i. Succession plan

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

j. Ethics and code of conduct

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

k. Risk Management

Risk management has been integrated in the constituency operations through the following: training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations. Embracing the Enterprise Risk Management system and attesting to monthly, quarterly bi-annually and annually compliance and key risk indicators questions, implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of

the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification

7. Management Discussion and Analysis

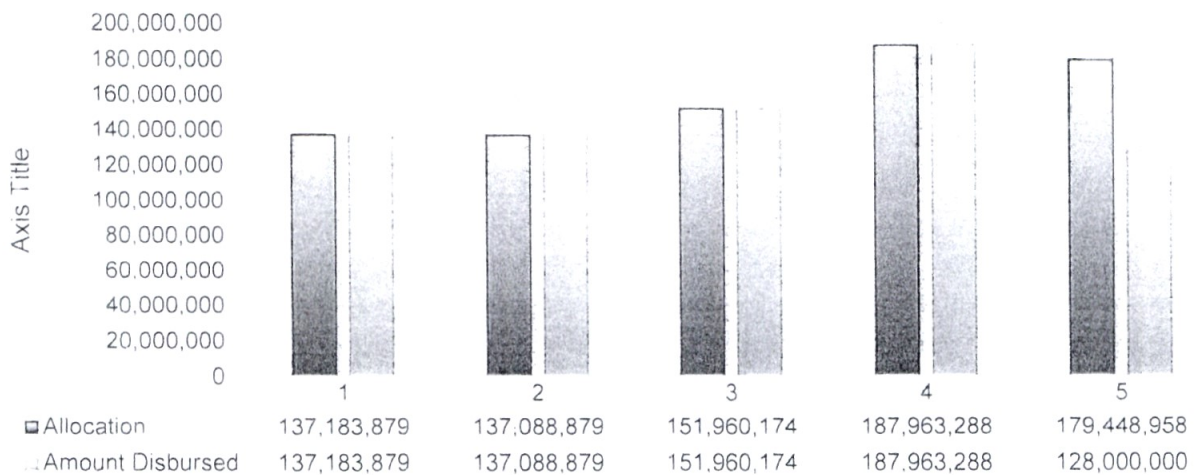
a. Sector Performance

Kipkelion East NG-CDF has been operational since 2013 but would provide financial analysis for the past five years on how much the entity has received and spend in the various critical sectors being Education and Security.

Financial Year	Allocation	Amount Disbursed	Percentage
2020-2021	137,183,879	137,183,879	100%
2021-2022	137,088,879	137,088,879	100%
2022-2023	151,960,174	151,960,174	100%
2023-2024	187,963,288	187,963,288	100%
2024-2025	179,448,958	128,000,000	71%
Total	793,645,178	742,196,220	

GRAPHICALLY

ALLOCATION VS RECEIPTS FY 2020/21-2024/2025

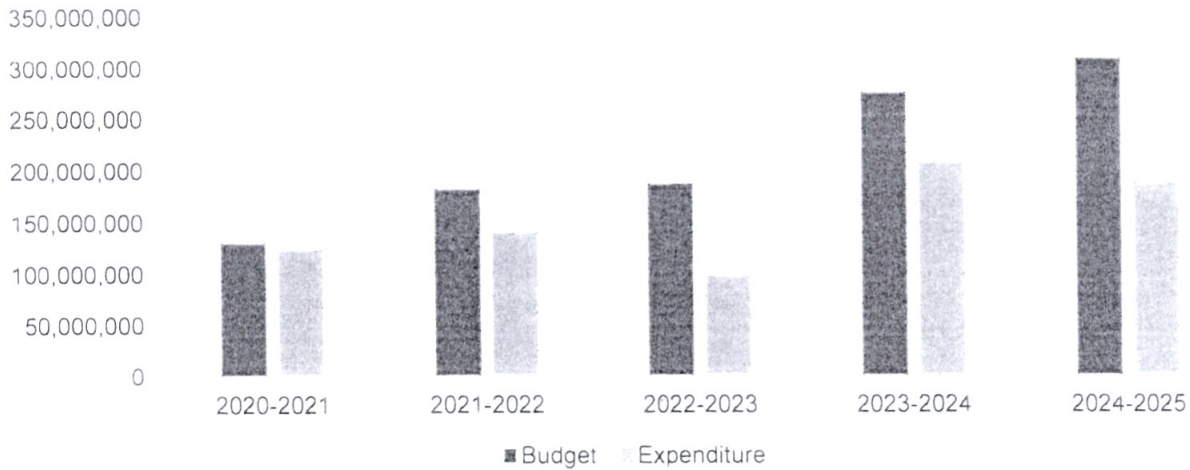


b. Expenditure summary for the last five(5) years

Financial Year	Budget	Expenditure
2020-2021	262,687,097	160,248,632
2021-2022	239,527,344	185,318,924
2022-2023	192,423,453	109,723,397
2023-2024	261,254,210	135,016,781
2024-2025	284,520,631	169,796,191
Total	1,240,412,735	760,103,925

GRAPHICALLY:

BUDGET VS ACTUAL EXPENDITURE



c. Summary of Disbursement to Projects in the Last 5 Years

Sector	Allocation	Percentage (%)
Primary Schools	270,860,500	33
Secondary Schools	150,500,000	28
Bursary	124,729,000	19
Others Grants	103,867,400	19
	649,956,900	100

d. NG-CDF Achievements

Kipkelion East NG-CDF Committee has always endeavored to ensure timely implementation approved projects and equitable distribution of allocation within the four wards in the constituency. Some of the notable achievements are as shown in the table below: -

Category	No. Implemented
New Classrooms	620
Bursary	Over 9,000 needy students per year
Administration Blocks	24
Dining Hall	8
TVET classrooms	8
Chiefs Offices	16
ACCs office	1
Classrooms Renovations	300
NG-CDF office	1
Buses	6

Through the NG-CDF, massive infrastructural facilities have been constructed in the following schools which has in turn led to an increase in the enrolment rates and performance of students in the schools: -

Name of School	Facilities Funded by NG-CDF
Sabunit Primary School	<ul style="list-style-type: none"> Established from scratch by the NG-CDF Purchase of 1.5 acres of land Construction of 6 No. classrooms
Baraka Secondary School	<ul style="list-style-type: none"> Construction of 4 No. classrooms Construction of 1 No. laboratory Construction of 1 No. dining hall Construction of 3 roomed offices
Londiani Township Secondary School	<ul style="list-style-type: none"> Construction of 4 No. classrooms Construction of 1 No. laboratory Construction of 1 No. dining hall Purchase of 1 No. School bus
Kimasian Secondary School	<ul style="list-style-type: none"> Construction of 8 No. classrooms
Kimisian TVET	<ul style="list-style-type: none"> Construction of 8 No. classrooms Full scholarship for trainees (16M Bursaries)
Sacred Hill Girls Secondary School	<ul style="list-style-type: none"> Construction of 1 No. dormitory Construction of 2 No classrooms

1. Purchase of 5 school buses

Institution Name	Project Activity	ALLOCATION		
		FY 2019/20	FY 2021/22	Total (Kshs.)
Chesinende Girls Secondary School	Purchase of 51-seater School Bus	6,800,000	1,000,000	7,800,000
Kedowa Girls Secondary School	Purchase of 51-seater School Bus	6,800,000	1,200,000	8,000,000
Kipsirichet Secondary School	Purchase of 51-seater School Bus	6,800,000	1,200,000	8,000,000
Londiani Township Secondary School	Purchase of 51-seater School Bus	6,800,000	1,200,000	8,000,000
Tugunon Secondary School	Purchase of 51-seater School Bus	6,800,000	1,200,000	8,000,000
				39,800,000

2. Bursary Disbursement

S/NO	SECTOR	ACTIVITY	TOTAL AMOUNT
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1	BURSARY	Payment of bursary to needy student	225,729,000
TOTAL			225,729,000

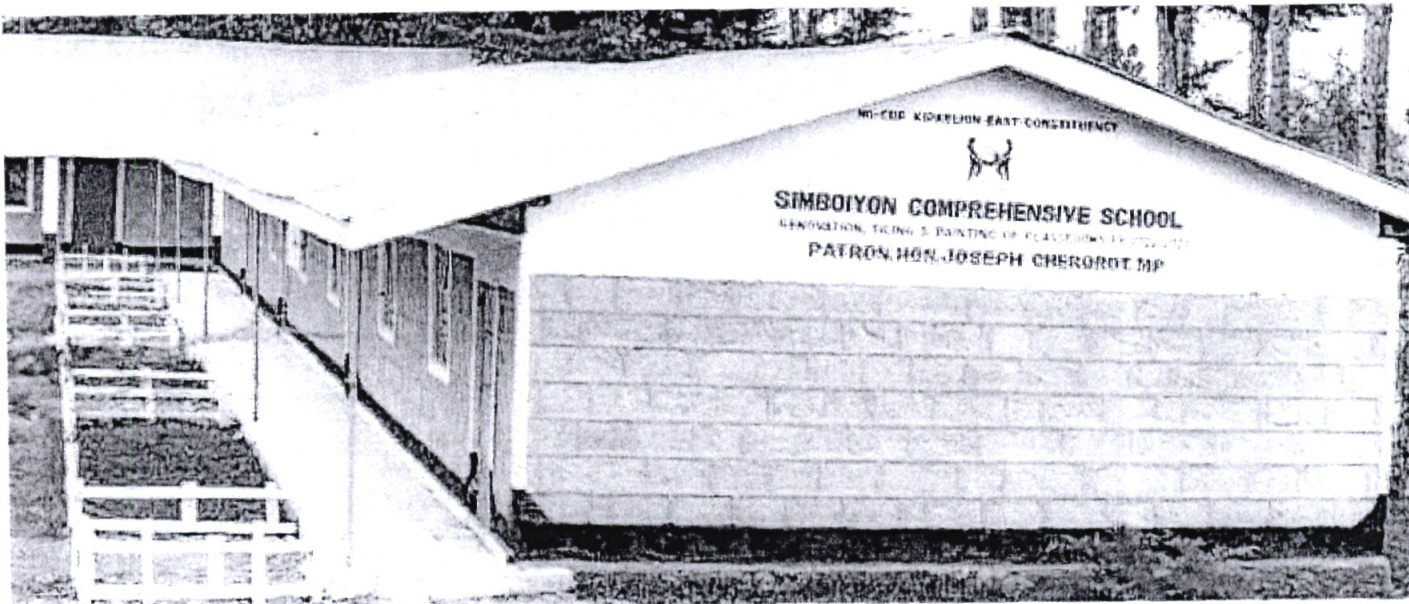
- The constituency has more than 100 students under full scholarship
- Bursary pays tuition fees for every orphan and extremely needy cases without under going bursary vetting

3. Project implementation

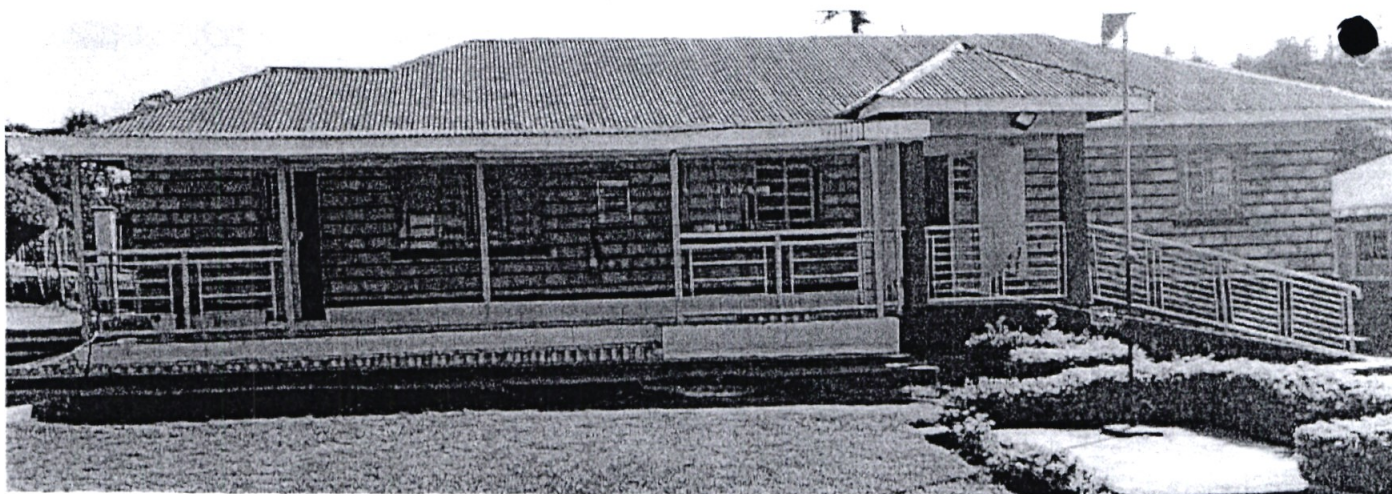
The constituency has implemented projects in the constituency that has high impact by improving access to education infrastructure:

An Example is Kipsigori primary School where management allocated funds and Simboiyon Primary School for construction and renovation of classrooms

1. Simboiyon Primary School- Renovation of 10NO classrooms to completion.



2. Kipsigori Primary School- Construction of 4 roomed administration block



CLIMATE CHENAGE MITIGATION

- The constituency has been allocating funds for climate change mitigation every financial year.
- Last financial year and current financial year, the constituency has allocated Ksh 3.6M with each financial year allocating Kshs 3.6M

In the FY 2025/2026, the constituency intends to allocate kshs 7.1M for climate change mitigation activities.

Compliance with statutory requirements

Kipkelion East NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, NGCDF(R) 2016, PFM Act 2012, PFM(R) 2015 PPADA 2015, PPADA(R) 2020 and Presidential directives, Treasury circulars, NG-CDF Board Policy, 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 Kipkelion East been cited for non-compliance.

Kipkelion East NG-CDF has been able to equally meet its legal obligations for instance payment of taxes like VAT withholding tax from contractors, Income tax, Housing Levy, NSSF, SHIF and Withholding Tax as required and further commits to operate within the law even to the future.

Risks facing the fund

NG-CDF Kipkelion East is compliant with NG-CDF Board risk management policy by developing a constituency risk register and the fund manager does regular attestation.

NG-CDF Kipkelion East faces the following risks:

Major litigation and courts battles at the national level.

Political interference.

NGOs interference

Competition from county governments

Arsons and burglaries

The constituency has tried mitigating risks by doing public participation when doing project proposal, building with CCTV installation to mitigate physical risks.

Material arrears in Statutory and other financial obligations

The constituency does not have material arrears in statutory and other financial obligations.

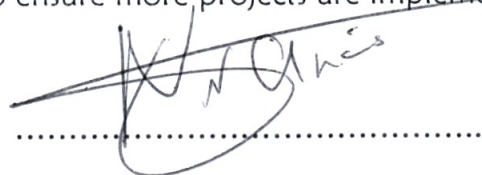
The constituency has complied with statutory requirements by remitting statutory requirements to relevant authorities and in no instance has Kipkelion East been cited for non-compliance.

Review of the Economy, Sector and Future Developments

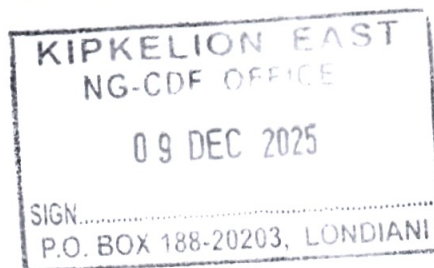
The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 2019 that reduce the business growth and hence revenue collection. NG-CDF as a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines 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. Kipkelion East NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.



Name: Mwibiri Francis



XXX

Fund Account Manager

8. Environmental and Sustainability Reporting

Environmental matters relates to mitigation of the climate change effects that has been put forward as a government agenda. The recent amendment of NGCDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NGCDF Fund. Kipkelion East NG-CDF in its budget for Financial year 2024-2025 allocated Ksh 800,000 towards climate change mitigation measures across the constituency.

1. Sustainability strategy and profile -

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

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

2. Environmental performance

- The constituency has allocated a total of Kshs 800,000 towards planting of tree seedlings to support presidential directive of planting 15 billion trees and other environmental interventions.
- The constituency buys seedlings from youth nurseries and hence empowering them

3. Employee welfare

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

Kipkelion East Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kipkelion East 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

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

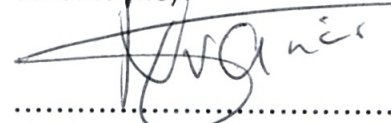
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

Public Awareness

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

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


.....
Name: Mwibiri Francis
Fund Account Manager.

KIPKELION EAST
NG-CDF OFFICE
09 DEC 2025
SIGN.....
P.O. BOX 188-20203, LONDIANI

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

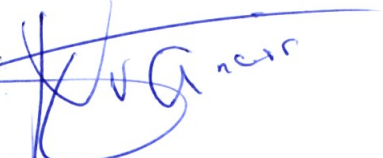
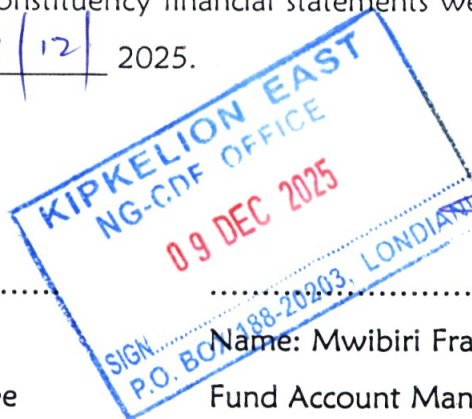
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Kipkelion East Constituency financial statements were approved and signed by the Accounting Officer on 9/12 2025.



Name: Josphat Keter
Chairman – NGCDF Committee



Name: Mwibiri Francis
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund-Kipkelion East Constituency set out on

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

pages 1 to 65, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Kipkelion East Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012, the National Treasury and Economic Planning Circular No.3 of 14 April, 2025 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Unsupported Other Grants and Transfers

The statement of financial performance reflects other grants and transfer of Kshs.79,620,931 while Note 14 to the financial statements reflects Kshs.81,120,931. The difference of Kshs.1,500,000 has not been explained or reconciled.

In the circumstances the statement of financial performance is misstated.

2. Undisclosed Bank Charges for Deposit Account

The statement of financial performance reflects use of goods and services amount of Kshs.7,007,717, which includes bank charges of Kshs.34,908, as disclosed in Note 12 to the financial statements. However, the bank reconciliation statement and bank statement for deposit account shows bank charges of Kshs.1,760, which was omitted from the reported bank charges of Kshs.34,908. Thus, the bank charges amount is understated by Kshs.1,760.

In the circumstances, the bank charges amount is understated.

3. Tax Arrears

The Fund had not reported any tax arrears due to Kenya Revenue Authority. However, from the letter of Ref: NG-CDFB/CEO/KNA/VOL V.7 (6) the Fund owes KRA a total of Kshs.692,884. Management failed to maintain an updated and reconciled schedule of statutory obligations resulting in the omission of the tax arrears from the financial statements.

In the circumstance, the absence of disclosure of significant tax arrears resulted in the financial statements being misleading and non-compliant with IPSAS requirements for completeness and accuracy.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund-Kipkelion East 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 statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.284,515,631 and kshs.242,045,774 respectively, resulting to underfunding of Kshs.42,469,857 or 15% of the budget. Similarly, the Fund expended Kshs.169,797,950 against the actual amount received of Kshs.242,045,774 resulting to under absorption of Kshs.72,247,824 or 30% of the total receipts.

The under-funding and under-absorption affected implementation of the planned activities and programs 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 Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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. Unremitted National Industrial Training Authority (NITA) Payments

The statement of financial performance reflects employee cost of Kshs.6,358,884 as disclosed in Note 10 to the financial statements. During the year under review, the Fund did not deduct and remit NITA levy amounting to Kshs.9,600 for the sixteen (16) employees of the Fund. This is contrary to Industrial training Act section 5(Cap 237) which requires employer to pay the training levy to the Commissioner- General annually at a monthly rate of KShs.50 per employee including a casual employee.

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

2. Non-Compliance with Persons with Disability Act

Review of the muster roll and personnel records revealed that the Fund had seventeen (17) casual employees on contractual terms but none was a person with disability contrary to section 21(1)(2) of the Persons with Disability Act 2025 which requires employers to reserve at least five per cent direct employment opportunities for persons with disabilities.

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

3. Failure to Comply with Work Injury Benefit (WIBA) Act 2007

During the year under review the Fund did not secure WIBA Insurance for the employees contrary to section 7 (1) of the Work Injury Benefit Act 2007, which provides that every employer shall obtain and maintain an insurance policy, with an insurer approved by the Minister in respect of any liability that the employer may incur under this Act to any of his employees.

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

4. Irregular use of Emergency Funds.

The statement of financial performance reflects an amount of Kshs.79,620,931 in respect of other grants and other transfers, which includes Kshs.2,399,377, being emergency

projects expenditure, as disclosed in Note 14 to the financial statements. However, the expenditure was not supported by expenditure details showing the nature of emergency, funding requests or proposals and Constituency Development Fund Committee minutes. Thus, it was not possible to establish if the expenditure was of emergency nature as prescribed by section 8(3) of the National Government Constituencies Development Fund Act, 2015 which states that emergency shall be construed to mean an urgent, unforeseen need for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

Further, Management did not report the utilization of the emergency reserve to the National Government Constituencies Development Fund Board within thirty (30) days of the occurrence as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

In the circumstances, Management was in breach of the law and the validity of Kshs.2,399,377 in respect of emergency transfers could not be ascertained.

5. Lack of Land Ownership Documents

The statement of financial performance reflects transfers to other government units of Kshs.58,188,216 which includes transfers to primary schools of Kshs.46,745,862 as disclosed in Note 13 to the financial statements. Review of the payment records revealed that full payment of Kshs.1,500,000 was made for a parcel of land KERICHU/SORGET/SORGET BLOCK 3, for Kamaua primary school secured through a sale agreement signed and dated 30 August 2024. The land is registered in the name of Philip Ngeno and measures 1 acre. However, audit verification carried out on 22 October 2025, revealed that Kamaua primary school has not acquired the title deed for the land, despite transfer of the full amount to the owner. The school has also not been registered with the Ministry of Education.

In the circumstances, the ownership of the land and propriety of expenditure of Kshs.1,500,000 in respect of purchase of land could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

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

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

Poor Management and Controls on Climate Change Mitigation Projects

The statement of financial performance reflects an amount of Kshs.79,620,931 in respect of other grants and other transfers, which includes Kshs.1,336,410 for climate change mitigation projects as disclosed in Note 14 to the financial statements. The amount was used for purchase assorted tree seedlings,. The seedlings were issued to various school across the constituency. However, physical verification of the project and interviews carried out on 22 October 2024 revealed that most of the seedlings were not planted since some schools didn't have enough land to accommodate all the seedlings issued and the seedlings were re-issued to private individuals.

In the circumstance, the controls on funds utilization were poor.

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

Responsibilities of Management and those Charged with Governance

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


15 December, 2025

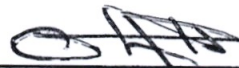
*National Government Constituencies Development Fund (NGCDF)
Kipkelion East Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

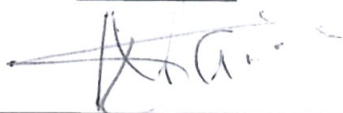
11. Statement of Financial Performance for the Year Ended 30th June 2025

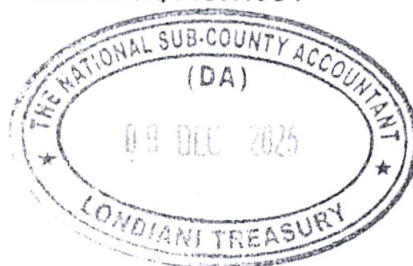
	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,857
Expenses		
Employee costs	10	6,358,884
Committee expenses	11	2,224,000
Use of Goods and Services	12	7,007,717
Other Government Units Actual expenditure	13	58,188,216
Other Grants and Transfers Actual expenditure	14	79,620,931
Depreciation and amortization expense	15	3,931,020
Other payments	16	1,500,000
Total expenses		158,830,768
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		11,639,089

The Constituency financial statements were approved by the NGCDFC on 9/12 2025 and signed by:


Chairman NG-CDF
Committee
Name: Josphat Keter


National Sub-County
Accountant
Name: CPA Phelimon Mbeche
ICPAK M/No: 11951


Fund Account Manager
Name: Mwibiri Francis



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

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

	Not e	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	72,247,824	62,678,663
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,469,857	51,367,111
Prepayments	22	8,493	-
Total Current Assets		114,726,174	114,045,774
Non-Current Assets			
Property, Plant and Equipment	23	34,211,931	21,446,892
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		34,211,931	21,446,892
Total Assets (A)		148,938,105	135,492,666
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	2,560,099	2,144,891
Lease Liabilities	28	-	-
Gratuity provision	29	2,581,170	1,190,028
Total Current Liabilities		5,141,269	3,334,919
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		5,141,269	3,334,919
Net Assets (A-B)		143,796,836	132,157,747
Represented by:			
Revaluation Reserves		143,796,836	132,157,747
Accumulated Surplus			
Total Net Assets		143,796,836	132,157,747

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

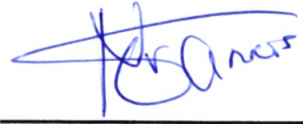
The Constituency financial statements set out on pages 1 to 18 approved by NG CDFC on 9/12/
2025 and signed by:



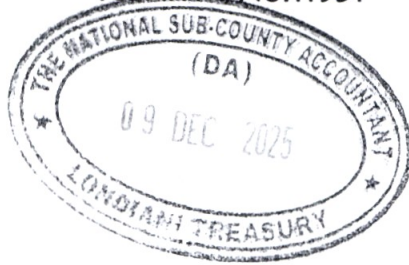
Chairman NG-CDF
Committee
Name: Josphat Keter



National Sub-County
Accountant
Name: CPA Phelimon
Mbeche
ICPAK M/No:11951



Fund Account Manager
Name: Mwibiri Francis



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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	55,568,317		55,568,317
Adjustments: (to recognize assets and liabilities)			
Add Assets	79,924,349		79,924,349
Less Liabilities	3,334,919		3,334,919
As at July 1, 2024	132,157,747		132,157,747
Surplus/(Deficit) For the Period	11,639,089		11,639,089
Revaluation Gain/Loss	-	-	-
As at 30 th June (current year)	143,796,836	-	143,796,836

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 KCB/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)
Kipkelion East 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	<i>Period ended june</i>
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		179,367,111
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		179,367,111
Payments		
Employee costs		4,967,742
Committee expenses		2,224,000
Use of Goods and Services		7,016,210
Other Government Units Certified Works		58,188,216
Other Grants and Transfers		79,620,931
Other payments		1,500,000
Total Payments		153,517,099
Net Cash Flows from/ (used in) Operating Activities	30	25,850,012
Cash flows From Investing Activities		
Purchase of PPE		16,280,851
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		16,280,851
Net increase/(decrease) in cash & Cash equivalents		9,569,160
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		9,569,160
Cash and cash equivalents at Period Start	19	62,678,663
Cash and cash equivalents at Period End	19	72,247,824

*National Government Constituencies Development Fund (NGCDF)
Kipkelion East 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
	FY 2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2024/2025	FY 2024/2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	62,678,663	51,367,111	284,515,631	242,045,774	42,469,857	85%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,857	62,678,663	51,367,111	284,515,631	242,045,774	42,469,857	
Expenses							
Employee costs	6,760,869	-	-	6,760,869	4,967,742	1,793,127	73%
Committee expenses	3,356,000	-	-	3,356,000	2,224,000	1,132,000	66%
Use of Goods and Services	5,222,907	2,271,076	-	7,493,983	7,016,210	477,773	94%
Other Government Units Certified Works	70,200,944	24,710,769	48,068,580	142,980,293	58,188,216	84,792,077	41%
Other Grants and Transfers	79,976,782	18,138,709	3,298,531	101,414,022	79,620,931	21,793,091	79%
Digital Hubs Expenses	-	-	-	-	-	-	0%
Acquisition of Assets	3,236,862	14,553,108	-	17,789,971	16,280,851	1,509,119	92%
Other Payments	1,715,493	3,000,000	-	4,715,493	1,500,000	3,215,493	32%
Funds Pending Approval**	-	5,000	-	5,000	-	5,000	0%
Total Expenditure	170,469,857	62,678,663	51,367,111	284,515,631	169,797,951	114,717,681	60%
Surplus for the period					72,247,824	(72,247,824)	

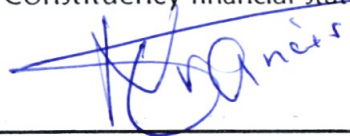
National Government Constituencies Development Fund (NGCDF)
Kipkelion East Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Explanatory Notes.

Employee Cost- at 68%, being outstanding staff gratuity and salaries
 Other Certified Works- 41% PMC works ongoing, projects at different stages of completion
 Other grants and transfer- 79%- Underutilized bursary rolled over to current financial year
 Other payments- 9%- Digital Hub yet to be implemented.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	114,717,681
Less undisbursed funds receivable from the Board as at period 30 th June, 2025	42,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	72,247,824

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 9/12/ 2025 and signed by:



Fund Account Manager

Name: Mwibiri Francis



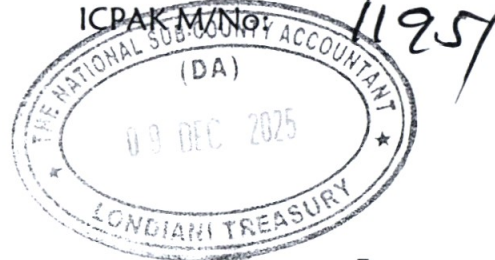
National Sub-County Accountant

Name: CPA Phelimon Mbeche
 ICPAK M/No: 11957



Chairman NG-CDF Committee

Name: Josphat Keter



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

National Government Constituencies Development Fund (NGCDF)
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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	6,760,869			6,760,869	4,967,742	1,793,127
1.2 Committee allowances	1,128,000			1,128,000	1,000,000	128,000
1.3 Use of goods and services	2,337,648	299,977		2,637,625	2,300,000	337,625
Sub-total	10,226,517	299,977	-	10,526,494	8,267,742	2,258,752
2.0 Monitoring and evaluation						
2.1 Capacity building	900,000	650,000		1,550,000	1,416,210	133,790
2.2 Committee allowances	2,228,000			2,228,000	1,224,000	1,004,000
2.3 Use of goods and services	1,985,259	1,321,100		3,306,359	3,300,000	6,359
Sub-total	5,113,259	1,971,100	-	7,084,359	5,940,210	1,144,149
4.0 Emergency unutilized	8,972,098			8,972,098		8,972,098
TENDENO SECONDARY SCH		680		680	298,000	(297,320)
UNITED SOY SEC SCHOOL		7,286		7,286	355,991	(348,705)
Kimoson Pri School				-	250,000	(250,000)
Ewat Pri School				-	64	(64)
LONDIANI CENTRAL PRI SCHOOL				-	90,000	(90,000)
KAMACHUNGWA PRI SCHOOL				-	96,178	(96,178)
Kisabo Secondary School				-	199,700	(199,700)
Londiani Police Div				-	100,000	(100,000)
Kaplamboi Pri School				-	60,000	(60,000)
Tembwo Pri School				-	399,445	(399,445)

National Government Constituencies Development Fund (NGCDF)
Kipkelion East 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
ACL Slutions				-	550,000	(550,000)
Sub-total	8,972,098	7,966	-	8,980,063	2,399,377	6,580,687
5.0 Bursary and Social Security						
5.1 Primary Schools						-
5.2 Secondary Schools	48,476,782	9,721,521		58,198,303	57,307,423	890,880
5.3 Tertiary Institutions	15,100,000	3,472,812	2,098,531	20,671,343	16,776,681	3,894,662
5.4 special needs	1,000,000			1,000,000	750,500	249,500
5.5 Education Support Programmes				-		-
5.6 Social Security	3,600,000	3,600,000		7,200,000		7,200,000
Sub-total	68,176,782	16,794,334	2,098,531	87,069,647	74,834,604	12,235,043
7.0 Environment						
Unutilized Funds				-		-
St. Kizito cathoilic Men association		150,000		150,000	150,000	-
Dolphin SHG		12,000		12,000	12,000	-
Iamaek Holding Ltd		128,000		128,000	128,000	-
Kapkelei Sunrise SHG		24,000		24,000	24,000	-
Wesley Kipngetch		57,000		57,000	57,000	-
Kamarus Mwangaza SHG		18,000		18,000	18,000	-
Tilolwet Ngeny Farmers		54,000		54,000	54,000	-
Charles Kiprotich		43,200		43,200	43,200	-
Semches Cheres CBO		34,000		34,000	34,000	-
Caroline Cheron		110,200		110,200	110,200	-
Simotwet Apiculture		30,000		30,000	30,000	-

National Government Constituencies Development Fund (NGCDF)
Kipkelion East 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
Emanuel Kiprono		56,000		56,000	56,000	-
Lelaitich Gaa Group		18,000		18,000	18,000	-
Mountain View Group		18,000		18,000	18,000	-
Barotion Lower W/Group		30,000		30,000	30,000	-
Tilolwet Ngeny Farmers		30,000		30,000	30,000	-
Kedowa Location Village Elders ass		150,010		150,010	150,010	-
Reuben Kipkorir		30,000		30,000	30,000	-
Justus Koech		107,000		107,000	107,000	-
Joice Cheronu		56,000		56,000	56,000	-
Lennyrob Gen Entreprise		95,000		95,000	95,000	-
Mercy Kiplangat		86,000		86,000	86,000	-
Kabisoi Primary School	200,000			200,000		200,000
Kimoson Primary School	200,000			200,000		200,000
Londiani Township Primary School	200,000			200,000		200,000
Samek Primary School	200,000			200,000		200,000
Sub-total	800,000	1,336,410	-	2,136,410	1,336,410	800,000
8.0 Primary Schools Projects						
Borbori Primary School	1,400,000			1,400,000		1,400,000
Burgei Primary School	1,400,000			1,400,000		1,400,000
Chebiri Primary School	1,400,000			1,400,000		1,400,000
Chebwareng Primary School	300,000			300,000		300,000
Chepseon Primary School	2,800,000			2,800,000		2,800,000
Chepsir primary School	2,800,000			2,800,000		2,800,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	utilization difference
			Kshs		Kshs	Kshs
Cheres primary School	2,800,000			2,800,000		2,800,000
Chumba Primary School	1,400,000			1,400,000		1,400,000
Ewat Primary school	1,400,000			1,400,000		1,400,000
Irerma Primary School	1,400,000			1,400,000		1,400,000
Jagoror Primary School	1,000,000			1,000,000		1,000,000
Kamachungwa Primary School	1,400,000			1,400,000		1,400,000
Kamarus Annex Primary School	1,400,000			1,400,000	682,207	717,793
Kamrus Annex Primary school	400,000			400,000		400,000
Kamwogo Primary School	300,000			300,000		300,000
Kapchomisian Primary school	600,000			600,000		600,000
Kapkwen Primary School	1,400,000			1,400,000		1,400,000
Kapsinendet Primary School	1,400,000			1,400,000		1,400,000
Kaptich Primary School	2,800,000			2,800,000		2,800,000
Katanin Primary School	1,400,000			1,400,000		1,400,000
Kedowa Primary School	2,800,000			2,800,000		2,800,000
Kemelyet Primary School	1,400,000			1,400,000		1,400,000
Kichawir Primary School	300,000			300,000		300,000
Kimasian Primary School	1,400,000			1,400,000		1,400,000
Kimugul Primary School	2,800,000			2,800,000		2,800,000
Kiptenden Primary School	1,400,000			1,400,000		1,400,000
Koibarak Primary School	800,000			800,000		800,000

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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
Kosyin Primary School	300,000			300,000		300,000
Kwenet Primary School	600,000			600,000		600,000
Lemaiyat Primary School	1,400,000			1,400,000		1,400,000
Masaita Primary School	300,000			300,000		300,000
Momoniya Primary School	2,800,000			2,800,000		2,800,000
Nderiot Primary School	600,000			600,000		600,000
Ngatume Primary School	500,000			500,000		500,000
Sailo Primary School	1,400,000			1,400,000		1,400,000
Siwot Primary School	800,000			800,000		800,000
Sorget Primary School	2,800,000			2,800,000		2,800,000
Tegunot Primary School	600,000			600,000		600,000
Tembwet Primary School	600,000			600,000		600,000

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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
Tilito Primary School	800,000			800,000		800,000
Tiritchta Primary School	1,400,000			1,400,000		1,400,000
Tulwap Kiplekwa Primary School	1,400,000			1,400,000		1,400,000
United Soy Primary School	500,000			500,000		500,000
Benditai Primary School		1,201,463	4,300,000	5,501,463	5,317,684	183,779
CHEBOROR PRIMARY SCHOOL		800,253		800,253	2,555	797,698
CHEPCHOLIET PRIMARY SCHOOL		6,916	-	6,916	126	6,790
CHEPSEON COMPLEX PRIMARY		236		236	-	236
FURAHA PRIMARY SCHOOL		88,004		88,004	85,126	2,878
Gwitu Pri School		1,184	2,600,000	2,601,184	2,601,127	56
Jagoror Pri School		1,587	1,086,858	1,088,445	1,086,669	1,776
KAMACHUNGWA PRI SCHOOL		856	-	856	-	856
KAMAUA PRI SCHOOL		699,361	1,986,858	2,686,219	2,649,311	36,908
KAMWINGI PRIMARY SCHOOL		4,886	-	4,886	4,126	761
Kapcheplanga Pri School		233	1,086,858	1,087,091	1,086,881	210
KAPCHOMISIAN PRIMARY SCHOOL		76,979		76,979	1,404	75,575
KAPKONDOR PRIMARY SCHOOL		803	2,600,000	2,600,803	2,514,142	86,661
KAPSENGER PRIMARY SCHOOL		409	-	409	-	409
KAPSIMOTWO PRIMARY SCHOOL		796,429	-	796,429	1,404	795,025
KAPTARGON PRIMARY SCHOOL		816	-	816	126	690
KAPTEMBWO PRIMARY SCHOOL		1,121	1,086,858	1,087,979	1,000,504	87,475
KATET PRIMARY SCHOOL		14,867	1,200,000	1,214,867	1,212,969	1,899
KEDOWA PRI. SCHOOL		10,612		10,612	10,252	360

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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
KEDOWA RIVER FARM PRIMARY SCHOOL		18,524		18,524	2,429	16,095
Kedowa Special Pri School		4,200	1,086,858	1,091,058	513,827	577,231
KEMELYET PRIMARY SCHOOL		9,624		9,624	1,404	8,220
KICHAWIR PRIMARY SCHOOL		2,935		2,935	126	2,809
KILETIEN PRIMARY SCHOOL		79	1,200,000	1,200,079	1,133,692	66,387
Kimoson Pri School		4,540	1,200,000	1,204,540	1,202,132	2,408
KIPSIRICHET PRIMARY		11,403	-	11,403	11,126	278
KIPTENDEN PRIMARY SCHOOL		1,836		1,836	1,530	306
KIPYOPYOP PRI SCHOOL		1,201,416	4,300,000	5,501,416	5,374,394	127,022
KOIBARAK PRIMARY SCHOOL		9,987		9,987	1,404	8,583
Kondamet Pri school		2,353	1,200,000	1,202,353	846,829	355,524
LAMAYAT PRIMARY SCHOOL		738	-	738	126	612
Leberer Pri School		1,294	2,600,000	2,601,294	933,483	1,667,811
LONDIANI CENTRAL PRI SCHOOL		1,089	1,200,000	1,201,089	1,090,377	110,712
LONDIANI FARMERS PRIMARY SCHOOL		490		490	126	364
MOSOMBORIK PRI SCH		701,219		701,219	700,327	892
MUGUMOINI PRIMARY SCHOOL		5,502,163		5,502,163	2,083,807	3,418,356
NDARUGU PRI. SCHOOL		1,788,077		1,788,077	1,080,847	707,230
NDERIOT PRIMARY SCHOOL		1,419		1,419	1,404	15
NGATUMEK PRIMARY SCHOOL		301,219		301,219	214,741	86,478
RINGA PRIMARY SCHOOL		1,219	-	1,219	-	1,219
SABUNIT PRI. SCHOOL		1,701,219		1,701,219	1,625,298	75,921
SAILO PRI. SCHOOL		17,880		17,880	11,404	6,476

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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
SIWOT PRIMARY SCHOOL		1,332		1,332	1,278	54
TEMBWET PRIMARY SCHOOL		8,180		8,180	1,404	6,776
TEMBWO PRIMARY SCHOOL		1,026	-	1,026	471	556
Tendeno Pri school		10,740	1,086,858	1,097,598	1,025	1,096,573
TILOLWET PRIMARY SCHOOL		2,023		2,023	1,404	619
TIRICHTA PRIMARY SCHOOL		1,010	-	1,010	126	884
TULWAP KIPLEKWA PRIMARY		612	-	612	126	487
TUMAINI PRIMARY SCHOOL		488	-	488	126	362
Utafiti Pri School		580	1,086,858	1,087,438	1,082,143	5,296
BORIBORI PRIMARY SCHOOL		501,000	-	501,000	-	501,000
KABBISOI PRIMARY SCHOOL		1,129		1,129	367	762
KAPSEDA PRIMARY SCHOOL		1,839	-	1,839	1,656	183
Chumba Pri School		61,542	1,200,000	1,261,542	1,259,624	1,919
Dr. Koech Pri School			1,086,858	1,086,858	1,061,845	25,013
Kisabo Pri School			3,800,000	3,800,000	3,799,146	854
Lolongbei Pri School		800,000	1,086,858	1,886,858	1,086,259	800,599
Mashariki Pri school			1,200,000	1,200,000	1,197,954	2,046
Sorget Pri school			1,200,000	1,200,000	1,199,130	870
TILITO PRIMARY SCHOOL			700,000	700,000	1,025	698,975
Tulwap Kipsigis Pri School			1,086,858	1,086,858	721,025	365,833
Kimugul Primary School		2,500,000		2,500,000	242,285	2,257,715
Chesinende Primary school		2,500,000		2,500,000		2,500,000
Sub-total	56,900,000	21,383,440	42,268,580	120,552,020	46,745,862	73,806,157

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
9.0 Secondary Schools Projects (List all the Projects)						
CHEBEWOR SEC SCH	6,500,944	1,909	1,500,000	8,002,853	7,483,155	519,698
CHEPCHOLIET SEC SCHOOL		4,700		4,700	1,278	3,422
FINCH SEC SCH		18,783		18,783	18,278	505
KAPSEGER SECONDARY SCHOOL		3,010		3,010	-	3,010
KIMASIAN SECONDARY		1,856	-	1,856	-	1,856
KIPRENGWE PRI SCHOOL		1,824	-	1,824	1,278	546
KIPSIRICHET SECONDARY		21,709		21,709	121	21,589
LEBERER SECONDARY SCHOOL		3,923		3,923	-	3,923
LONDIANI T/SHIP SECONDARY		980		980	-	980
MOI SORGET SECONDARY		39,439		39,439	1,186	38,253
SARAMEK SECONDARY SCHOOL		184	-	184	-	184
SIMBOIYON SEC SCHOOL		1,224,600	4,300,000	5,524,600	3,935,156	1,589,444
SITIAN SECONDARYONDARY SCHOOL		1,498		1,498	378	1,120
TESTAI DAY SEC SCH		2,917		2,917	1,525	1,392
Londiani Girls High School		2,000,000		2,000,000		2,000,000
Jagoror Secondary School	1,000,000			1,000,000		1,000,000
Kedowa Girls High school	1,000,000			1,000,000		1,000,000
Kedowa Mixed Secondary School	1,200,000			1,200,000		1,200,000
Kimugul Secondary School	1,200,000			1,200,000		1,200,000
Kipyemit Secondary School	1,000,000			1,000,000		1,000,000
Mugumoini Secondary School	600,000			600,000		600,000

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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
United Soy Secondary School	800,000			800,000		800,000
Sub-total	13,300,944	3,327,330	5,800,000	22,428,274	11,442,354	10,985,920
10.0 Tertiary institutions Projects (List all the Projects)						
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Chepseon ACCs office			800,000	800,000	650,594	149,407
Londiani Chiefs office			400,000	400,000	399,947	53
Chepseon Assistant County Commissioner's Office	500,000			500,000		500,000
Kamwingi 1 Assistant Chief's Office	200,000			200,000		200,000
Kimugul Chief's Office	200,000			200,000		200,000
Kiplokyi Chief's Office	200,000			200,000		200,000
Londiani Chiefs Office	327,902			327,902		327,902
Momoniat Assistant Chief's Office	200,000			200,000		200,000
Saramek Assistant Chief's Office	200,000			200,000		200,000
Subukia Assistant Chiefs office	200,000			200,000		200,000
Sub-total	2,027,902	-	1,200,000	3,227,902	1,050,540	2,177,362
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)				-		-
12.2 Purchase of furniture and fittings	580,000			580,000		580,000

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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
12.2 Construction of CDF office	2,206,862	14,553,108		16,759,970	16,280,851	479,119
12.3.Contrsution of Gate & perimeter Wall	1,715,493			1,715,493	1,500,000	215,493
12.3.Contrsution of car Port	450,000			450,000		450,000
Sub-total	4,952,355	14,553,108	-	19,505,464	17,780,851	1,724,612
13.0 Others						
Others- Gate						
Digital Hubs		3,000,000	-	3,000,000		3,000,000
Sub-total	-	3,000,000	-	3,000,000	-	3,000,000
Funds pending approval**				-		-
unapproved projects		-		-		-
AiA		5,000		5,000		5,000
Sub-total	-	5,000	-	5,000	-	5,000
Total	170,469,857	62,678,663	51,367,111	284,515,631	169,797,951	114,717,681

(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 Kipkelion East Constituency principal activity is Executing national government functions at 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 Kipkelion East 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 Kipkelion East has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash-flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. Not Applicable
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Not Applicable
IPSAS 45: Property Plant	<i>Applicable 1st January 2025</i>

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

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

Standard	Effective date and impact:
	Not Applicable

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 10 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 KCB 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/ KCB 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/ KCB 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/ KCB unless an entity has made irrevocable election at initial recognition for particular investments in KCB 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/ KCB 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/ KCB

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/ KCB. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/KCB 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/KCB. 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 recognize a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

Description	<i>FY 2024/2025</i>
	Kshs
NGCDFB Transfers (Allocation for the FY)	170,469,857
Total	170,469,857

7. Transfers from domestic and foreign partners

Description	<i>FY 2024/2025</i>
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

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

10. Employees cost

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	4,607,724
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,392,902
Employer Contributions Compulsory national social security schemes	291,265
Employer Contributions Compulsory Housing levy	66,994
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	6,358,884

11. Committee Expenses

	FY 2024/2025
	Kshs
Sitting allowance	1,092,000
Other Committee expenses	1,132,000
Total	2,224,000

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

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	18,900
Communication, supplies and services	94,015
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	916,000
Hospitality supplies and services	-
Insurance costs	91,507
Specialized materials and services	-
Office and general supplies and services	4,545,628
Fuel, oil & lubricants	526,000
Bank Charges	34,908
Routine maintenance – vehicles and other transport equipment	480,783
Routine maintenance – other assets	-
Strategic plan expenses	299,976
Other operating expenses	-
Total	7,007,717

13. Other Government Units Actual expenditure

Description	<i>FY 2024/2025</i>
	Kshs
Primary Schools Actual expenditure	46,745,862
Secondary Schools Actual expenditure	11,442,354
Tertiary Institutions Actual expenditure	-
Total	58,188,216

14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	57,307,423
Bursary – tertiary institutions	16,776,681
Bursary – special schools	750,500
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	1,050,540
Climate change mitigation projects	1,336,410
Emergency projects Actual Expenditure	2,399,377
Roads projects	-
Others specify	1,500,000
Total	81,120,931

15. Depreciation and Amortization Expenses

Description	FY 2024/2025
	Kshs
Property Plant and Equipment	3,931,020
Intangible Assets	-
Total	3,931,020

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

Description	FY 2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement "t July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
KCB Bank, Londiani Branch. Account no. 1147413487 (Operations account)	49,359,103	55,568,317
Operations account pending closure (Indicate name & account no.)	-	-
KCB Bank, Londiani Branch Account No. 1327656922 (Deposit account)	5,141,269	3,334,919
KCB Bank, Londiani Branch. (PMC's Accounts)	17,747,452	3,775,427
Total	72,247,824	62,678,663

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

Description	FY 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	FY 2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Transfers from NGCDFB	42,469,857		51,367,111	
Outstanding imprest	-		-	
Total	42,469,857		51,367,111	
Ageing Analysis- Receivables from non-exchange transactions	FY 2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	42,469,857	100%	51,367,111	100%
Between 1- 2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	42,469,857	100%	51,367,111	100%

22. Prepayments

Description	FY 2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	8,493		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	8,493		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	0	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	21,446,892	-	21,446,892
Additions	-	35,538,971	-	-	2,308,980	295,000	-	-	38,142,951
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	21,446,892	-	21,446,892
As At 30th June 2025	-	35,538,971	-	-	2,308,980	295,000	-	-	38,142,951
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	3,553,897	-	-	288,623	88,500	-	-	3,931,020
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	3,553,897	-	-	288,623	88,500	-	-	3,931,020
Net Book Values									
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	21,446,892	-	21,446,892
As At 30th June 2025	-	31,985,074	-	-	2,020,358	206,500	-	-	34,211,931

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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).

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	35,538,971	3,553,897	31,985,074
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	295,000	88,500	206,500
Office Equipment, Furniture, And Fittings	2,308,980	288,623	2,020,358
Total	38,142,951	3,931,020	34,211,931

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	206,500	-
Office Equipment, Furniture and Fittings	2,020,358	0
Total	2,226,858	0

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24. Intangible Assets

Description	Period ended June 2025	Opening Statement ^{1st} July 2024
	Kshs	Kshs
Cost		
Opening balance at the beginning of the Period	-	-
Additions	-	-
Disposal	-	-
At end of the Period	-	-
Additions—internal development	-	-
Disposal	-	-
At end of the Period	-	-
Amortization and impairment		
At beginning of the Period	-	-
Amortization	-	-
At end of the Period	-	-
Impairment loss	-	-
At end of the Period	-	-
NBV	-	-

25. Right-of use assets

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

26. Trade and Other Payables

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

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

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	2,144,891	
Retention held during the period (B)	1,415,208	2,144,891
Retention paid during the period (C)	1,000,000	-
Closing Retention as at period 2025, D= A+B-C	2,560,099	2,144,891

Retentions aging analysis.

	<i>FY 2024/2025</i>	<i>% of the total</i>	<i>FY 2023/2024</i>	<i>% of the total</i>
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	<i>Period ended June</i>	<i>Opening Statement</i>
	<i>2025</i>	<i>1st July 2025</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,190,028	
Gratuity held during the period (B)	1,391,142	1,190,028
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period 2025 D=(A+B-C)	2,581,170	1,190,028

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	11,639,089
Adjusted for:	
Depreciation	3,931,020
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(8,888,761)
Changes in deferred income	-
Changes in Third party deposits	(729,683)
Changes in gratuity provision	(661,459)
Changes in payments received in advance	-
Net cash flow from operating activities	25,850,012

31. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 th June (FY 2024/2025)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	42,469,857	42,469,857	-	-
Bank balances	49,359,103	49,359,103	-	-
Total	91,828,960	91,828,960	-	-
As at 30 June (FY 2023/2024)	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	51,367,111	51,367,111	-	-
Bank balances	55,568,317	55,568,317	-	-
Total	106,935,428	106,935,428	-	-

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.

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 (FY 2024/2025)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	2,560,099	2,560,099
Gratuity Provision	-	-	2,582,930	2,582,930
Total	-	-	5,143,029	5,143,029
As at 30th June (FY 2023/2024)	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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

iii) **Market risk**

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

a) **Foreign currency risk**

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

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FY 2024/2025

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

Foreign currency sensitivity analysis

FY 2024/2025

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

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- 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.

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Deferred income				
Employee benefit obligation			834,349	834,349
Total			834,349	834,349

iii) Market risk

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

a) Foreign currency risk

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

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 KCB/Net assets
	Kshs	Kshs	Kshs
FY 2024/2025	N/A		
Euro	10%	-	-
USD	10%	-	-
Previous FY		-	-
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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 KCB 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 KCB 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 (FY 2024/2025)	N/A			
Financial Assets				
Quoted KCB Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30 th June (FY 2023/2024)				
Financial Assets				
Quoted KCB Investments	-	-	-	-
Non- Financial Assets				

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Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	FY 2024/2025	<i>Opening Statement 1st July 2025</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	143,590,336	132,157,747
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(72,249,584)	(62,678,663)
Net Debt/(Excess Cash And Cash Equivalents)	71,340,752	69,479,084
Gearing	-%	-%

32. Related Party Disclosures

	FY 2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,092,000	1,218,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	179,367,111	190,485,954
Total	180,459,111	191,703,954

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorized 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 Kipkelion East 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	21,446,892	14,092,079		35,538,971
Transport equipment	3,949,999		-	3,949,999
Office equipment, furniture, and fittings	144,825	2,308,980	-	2,453,805
ICT Equipment and Other ICT Assets	1,024,230	295,000		1,319,230
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	26,565,946	16,696,059.34		43,262,005

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

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 st Jul, 2024
Benditai Primary School	KCB	1138010669	183,779	519
CHEBOROR PRIMARY SCHOOL	KCB	1178619079	797,698	800,253
CHEPCHOLIET PRIMARY SCHOOL	KCB	1168028116	6,790	6,916
CHEPSEON COMPLEX PRIMARY	KCB	1111951233	236	236
FURAHA PRIMARY SCHOOL	KCB	1109804970	2,878	88,004
Gwitu Pri School	KCB	1103330462	56	1,184
Jagoror Pri School	KCB	1282950185	1,776	1,587
KAMACHUNGWA PRI SCHOOL	KCB	110490585	856	856
KAMAUA PRI SCHOOL	KCB	1154655741	36,908	699,361
KAMWINGI PRIMARY SCHOOL	KCB	1284696707	761	4,886
Kapcheplanga Pri School	KCB	1127695444	210	233
KAPCHOMISIAN PRIMARY SCHOOL	KCB	1236060776	75,575	76,979
KAPKONDOR PRIMARY SCHOOL	KCB	1103343556	86,661	803
KAPSENGER PRIMARY SCHOOL	KCB	1164483463	409	409
KAPSIMOTWO PRIMARY SCHOOL	KCB	1235542033	795,025	796,429
KAPTARGON PRIMARY SCHOOL	KCB	1167792858	690	816
KAPTEMBWO PRIMARY SCHOOL	KCB	1184259968	87,475	1,121
KATET PRIMARY SCHOOL	KCB	1154149447	1,899	14,867
KEDOWA PRI. SCHOOL	KCB	1138223824	360	10,612
KEDOWA RIVER FARM PRIMARY SCHOOL	KCB	1103382535	16,095	18,524
Kedowa Special Pri School	KCB	1167934008	577,231	4,200
KEMELYET PRIMARY SCHOOL	KCB	1289481229	8,220	9,624
KICHAWIR PRIMARY SCHOOL	KCB	1286996821	2,809	2,935
KILETIEN PRIMARY SCHOOL	KCB	1294536257	66,387	79
Kimoson Pri School	KCB	1154706427	2,408	4,540
KIPSIRICHET PRIMARY	KCB	1153972824	278	71,798
KIPTENDEN PRIMARY SCHOOL	KCB	1155920686	306	1,836

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PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 st Jul, 2024
KIPYOPYOP PRI SCHOOL	KCB	1154378055	127,022	472
KOIBARAK PRIMARY SCHOOL	KCB	1315703637	8,583	9,987
Kondamet Pri school	KCB	1167337026	355,524	2,353
LAMAYAT PRIMARY SCHOOL	KCB	1283979179	612	738
Leberer Pri School	KCB	1295108240	1,667,811	1,294
LONDIANI CENTRAL PRI SCHOOL	KCB	1154769615	110,712	1,089
LONDIANI FARMERS PRIMARY SCHOOL	KCB	1150918721	364	490
MOSOMBORIK PRI SCH	KCB	1167973682	892	1,219
MUGUMOINI PRIMARY SCHOOL	KCB	1154704645	3,617,826	200,689
NDARUGU PRI. SCHOOL	KCB	1138492647	706,879	868
NDERIOT PRIMARY SCHOOL	KCB	1178677362	61	1,465
NGATUMEK PRIMARY SCHOOL	KCB	1155779258	950	215,691
RINGA PRIMARY SCHOOL	KCB	1165351226	1,632	1,632
SABUNIT PRI. SCHOOL	KCB	1151017809	109,197	34,495
SAILO PRI. SCHOOL	KCB	1204659257	6,476	17,880
SIWOT PRIMARY SCHOOL	KCB	1292858575	54	1,332
TEMBWET PRIMARY SCHOOL	KCB	1302272985	6,776	8,180
TEMBWO PRIMARY SCHOOL	KCB	1201300568	556	1,026
Tendeno Pri school	KCB	1122420005	1,096,573	10,740
TILOLWET PRIMARY SCHOOL	KCB	1103329561	619	2,023
TIRICHTA PRIMARY SCHOOL	KCB	1208513788	884	1,010
TULWAP KIPLEKWA PRIMARY	KCB	1201775493	487	612
TUMAINI PRIMARY SCHOOL	KCB	1239970528	362	488
Utafiti Pri School	KCB	1281407348	5,296	580
BORIBORI PRIMARY SCHOOL	KCB	12863442821	501,000	501,000
KABBISOI PRIMARY SCHOOL	KCB	1154153010	1,003	1,129
KAPSEDA PRIMARY SCHOOL	KCB	1166632830	183	1,839
CHEBEWOR SEC SCH	KCB	1122695918	1,919	1,909

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PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 st Jul, 2024
CHEPCHOLIET SEC SCHOOL	KCB	1239544162	25,013	4,700
CHESINENDE GIRLS	KCB	1150922184	854	1,147
FINCH SEC SCH	KCB	1107194989	800,599	18,783
KAPSEGER SECONDARY SCHOOL	KCB	1203863217	2,046	3,010
KIMASIAN SECONDARY	KCB	1126500984	870	1,856
KIPRENGWE PRI SCHOOL	KCB	1210268957	698,975	1,824
KIPSIRICHET SECONDARY	KCB	1103347829	365,833	21,709
LEBERER SECONDARY SCHOOL	KCB	1155692179	800,000	3,923
LONDIANI T/SHIP SECONDARY	KCB	1172441855	717,552	980
MOI SORGET SECONDARY	KCB	1181719747	519,698	39,439
SARAMEK SECONDARY SCHOOL	KCB	1123232482	3,422	184
SIMBOIYON SEC SCHOOL	KCB	1150745215	505	23,656
SITIAN SECONDARYONDARY SCHOOL	KCB	1176884751	3,010	1,498
TESTAI DAY SEC SCH	KCB	1152082906	1,856	2,917
TENDENO SECONDARY SCH	KCB	1154496333	546	680
UNITED SOY SEC SCHOOL	KCB	1167280938	21,589	7,286
CHEBEWOR SEC SCH	KCB	1154769615	3,923	-
CHEPCHOLIET SEC SCHOOL	KCB	1150918721	980	-
FINCH SEC SCH	KCB	1167973682	38,253	-
KAPSEGER SECONDARY SCHOOL	KCB	1154704645	184	-
KIMASIAN SECONDARY	KCB	1138492647	1,289,444	-
KIPRENGWE PRI SCHOOL	KCB	1178677362	1,120	-
KIPSIRICHET SECONDARY	KCB	1155779258	1,392	-
LEBERER SECONDARY SCHOOL	KCB	1165351226	107,122	-
LONDIANI T/SHIP SECONDARY	KCB	1151017809	53	-
MOI SORGET SECONDARY	KCB	1204659257	2,680	-
SARAMEK SECONDARY SCHOOL	KCB	1292858575	1,295	-
SITIAN SECONDARYONDARY SCHOOL	KCB	1201300568	249,936	-

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PMC	Bank	Account number	Bank Balance Current period	<i>Opening Statement 1st Jul, 2024</i>
TENDENO SECONDARY SCH	KCB	1103329561	3,822	-
UNITED SOY SEC SCHOOL	KCB	1178677362	900,300	-
Kimoson Pri School	KCB	1155779258	100,000	-
LONDIANI CENTRAL PRI SCHOOL	KCB	1151017809	555	-
Total			17,747,452	3,775,427

**National Government Constituencies Development Fund (NGCDF)
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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)
OAG/NGCDF F KIPEAST/001	<p>Basis of Opinion Irregular Purchase of Land The statement of receipts and payments reflects transfer to other government units amounting to Kshs 42,900,000. The amount includes transfer to primary schools totaling to Kshs 31,100,000 as disclosed in note 7 to the financial statements. Review of records revealed that the amount of Kshs 1,700,000 was paid to Tulwap Primary School for purchase of 5 acres of land. However, there was no evidence the school was registered by ministry of education. In addition, the title deed for the purchase of land was not provided for audit review. In the circumstances, the propriety of expenditure totaling to Kshs 1,700,000 could not be confirmed.</p>	Transfer of ownership to school in process	Not yet Resolved	Awaiting DFAC dates
OAG/NGCDF F KIPEAST/002	<p>Unsupported Project Management Committee Bank Balances Note 19.4 to the financial statements reflects project management committee (PMC) account balances totalling Kshs 1,712,556 held in 79 PMC Bank Accounts as further disclosed in annex 5 to the financial statements. However, cashbooks, certificate of balances and bank reconciliations statements in support of PMC balances were not provided for audit review. Further, the PMC bank balances have not been transferred to the constituency account. This is contrary to Section 12(8) of the NG-CDF Act 2015, which states that all unutilized funds of the PMC shall be returned to the constituency account. In the</p>	PMC certificate of account balances availed to the auditor for review.	Not yet Resolved	Awaiting DFAC dates

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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)
	circumstances, the accuracy, completeness and existence of the PMC Account balances of Kshs1,712,556 could not be confirmed.			
OAG/NGCDF F KIPKELION EAST/00 3	<p>Budgetary Control and performance</p> <p>The summary statement of appropriation reflects a total final receipts budget and actual on comparable basis amounting to Kshs 261,254,205 and Kshs 209,887,098 respectively, resulting to under-funding totaling to kshs 51,367,107 or approximately 20% of the budget.</p> <p>Similarly, the statement reflects a total actual payments on comparable basis amounting to Kshs 154,318,781 resulting to under expenditure of Kshs 106,935, 429 or 41% of the budget. Further, the summary statement of appropriation report reflects original receipts and payment budget both amounting to kshs 178,549,153. however, the amount differs with total code list approved budget amounting to Kshs 174,249,153 resulting to unreconciled variance of kss 4,300,000.</p> <p>The underfunding and underperformnace affect the planed activities an may have impacted negatively on service delivery to the constituents of Kipkelion East</p>	Projects not implemented have been implemeted in the FY 2024/2025	Not yet Resolved	Awaiting DFAC dates

Mwibiri Francis

Name: Mwibiri Francis
Fund Account Manager.

KIPKELION EAST
NG-CDF OFFICE
09 DEC 2025
SIGN.....
P.O. BOX 188-20203, LONDIANI