

REPUBLIC OF KENYA



**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

<b>FOR THE YEAR ENDED</b>	
<b>30 JUNE, 2025</b>	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 FEB 2026	DAY: Wednesday
TABLED BY:	Hon. (Dr.) Robert Rukose on behalf of leader of Majority
CLERK-AT THE-TABLE:	Lonsale



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**IKOLOMANI CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2025**

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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 Ikolomani 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 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Tom Oriwa Ageng'a
2.	National Sub-County Accountant	Sylvester Olengo Onyango
3.	Chairman NGCDFC	David Muliru Lisamula-Operations Account
4.	Member NGCDFC	Patrick Shikuri Wendo-Deposit Account

#### **(c) Fiduciary Oversight Arrangements**

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

P.O. Box 2773-50100  
Ikolomani NGCDFC Office-Malinya  
Off Sigalagala-Bukura Road, Behind Malinya Market  
Kakamega, KENYA

**(e) NGCDF Ikolomani Constituency Contacts**

Telephone: (254) 716830440  
E-mail: [cdfikolomani@outlook.com](mailto:cdfikolomani@outlook.com)  
Website: [ikolomani.ngcdf.go.ke](http://ikolomani.ngcdf.go.ke)

**(f) NGCDF Ikolomani Constituency Bankers**

1. Operations Account  
Equity Bank.  
Kakamega Branch  
P.O. Box 2512-50100  
Kakamega
2. Deposit account  
Equity Bank.  
Kakamega Branch  
P.O. Box 2512-50100  
Kakamega
3. Project Management Committee Bank Accounts
  - a) Equity Bank.  
Kakamega Branch  
P.O. Box 2512-50100-Kakamega
  - b) Cooperative Bank  
Kakamega Branch  
P.O Box 595-50100  
Kakamega
  - c) KCB Bank  
Kakamega Branch  
P.O Box 152-50100  
Kakamega



**(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><b>David Muliru Lisamula</b> <b>Chairman</b></p>	<p><b>Date of Birth:</b> 1955  <b>Key Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Bachelor's Degree in Community Development</li> </ul> <p><b>Work Experience:</b>  Mr. Lisamula is a seasoned development practitioner with over 35 years of extensive experience in both national and international non-profit organizations. He has served in senior management capacities at globally recognized humanitarian and development agencies, including Norwegian People's Aid, Catholic Relief Services (CRS), and the Adventist Development and Relief Agency (ADRA), among others. His work spanned multiple countries and sectors, focusing on community empowerment, food security, emergency response, and sustainable development. Now retired, Mr. Lisamula brings to the NGCDF Committee a wealth of leadership experience, strategic insight, and a deep passion for community-driven development.</p>
 <p><b>Patrick Shikuri Wendo</b> <b>Secretary</b></p>	<p><b>Date of Birth:</b> 1988  <b>Key Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Diploma in Education</li> </ul> <p><b>Work Experience:</b>  Mr. Wendo is a trained educationist with a strong grounding in classroom instruction and school administration. He currently teaches at a private school and is recognized for his commitment to nurturing academic excellence and holistic development among learners. As the Secretary to the Committee, he offers reliable documentation, organizational skills, and a structured approach to committee operations. His knowledge of the education sector is invaluable in aligning development initiatives with community educational needs.</p>

 <p>Josephat Luseka Miheso Co-opted Member</p>	<p><b>Date of Birth:</b> 1957  <b>Key Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Diploma in Education</li> <li>• Diploma in Educational Administration (KEMI)</li> </ul> <p><b>Work Experience:</b>  Mr. Luseka is a distinguished educationist with a remarkable career spanning over three decades. He has served as a classroom teacher, head teacher, and education administrator. Most notably, he is celebrated for spearheading the exponential growth and reputation of the Booker Academies in Mumias, transforming them into leading centers of academic excellence. A revered figure in the education sector, Mr. Luseka brings to the committee unparalleled experience in institutional development, educational leadership, and community engagement.</p>
 <p>Evans Mwachi Miheso Member</p>	<p><b>Date of Birth:</b> 1991  <b>Key Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Bachelor’s Degree in Human Resource Management</li> </ul> <p><b>Work Experience:</b>  Mr. Mwachi is a human resource professional currently working as a Human Resource Officer at Bushiangala Technical Training Institute. He brings to the committee a youthful perspective and a strong foundation in personnel management, recruitment, and organizational development. His role ensures that the committee embraces best practices in human capital management and remains attuned to the aspirations of younger generations.</p>
	<p><b>Date of Birth:</b> 1956  <b>Key Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Ordained Lay Minister</li> </ul> <p><b>Work Experience:</b>  Mrs. Munzala is a lifelong servant of humanity with a calling rooted in faith and compassion. As an ordained lay minister, she has devoted her life to ministering to widows, orphans, and other vulnerable groups. Her philanthropic endeavors have touched many lives through community outreach programs, counseling, and support</p>

<p>Hellen Ingato Munzala Member</p>	<p>for the disadvantaged. In the committee, she serves as a moral compass and advocate for inclusive development that prioritizes the needs of the marginalized.</p>
 <p>Pasilisa Khatayi Shitsukane Member</p>	<p><b>Date of Birth:</b> 1962  <b>Key Qualifications:</b></p> <ul style="list-style-type: none"> <li>Experienced Entrepreneur and Agribusiness Practitioner</li> </ul> <p><b>Work Experience:</b>  Mrs. Shitsukane is a seasoned businesswoman and farmer who has built a reputation for resilience, enterprise, and agricultural innovation. Her diverse experience in trade and agribusiness makes her an important voice in shaping development initiatives that support local livelihoods and promote economic empowerment. She represents the voice of grassroots entrepreneurs and champions initiatives that enhance rural productivity and food security.</p>
 <p>Shervelyne Chimasi Odally Member</p>	<p><b>Date of Birth:</b> 1992  <b>Key Qualifications:</b></p> <ul style="list-style-type: none"> <li>Currently pursuing a Certificate Course at Sigalagala National Polytechnic</li> </ul> <p><b>Work Experience:</b>  Ms. Chimasi represents the youth on the committee and is passionate about youth empowerment and community service. While still pursuing her education, she is actively involved in grassroots youth initiatives and church-based activities, particularly within Eregi Catholic Parish. Her dedication to mobilizing young people for constructive social and economic engagement adds vibrancy and dynamism to the committee's deliberations. She plays a crucial role in ensuring the Fund's activities remain inclusive and responsive to the aspirations of the younger population.</p>

#### **4. NG-CDFC Chairman's Report**

##### **Introduction**



**David Muliru Lisamula**

**Ikolomani NGCDFC Chairman**

It is with great pride and a deep sense of responsibility that I present the Chairman's Report for the Ikolomani National Government Constituency Development Fund Committee (NGCDFC) for the financial year 2024/2025, covering the period from July 1, 2024, to June 30, 2025. Despite facing significant challenges, particularly the delayed disbursement of funds, our committee remained resolute in its commitment to driving development within our constituency. This report encapsulates our collective endeavors, the achievements we have realized, and the spirit of collaboration that continues to propel us forward.

##### **Strategic Alignment and Execution**

During the year under review, our efforts were guided by the strategic objectives laid out in our five-year strategic plan, as well as the annual work plans and performance contracts signed with the NGCDF Board. Despite financial constraints, we successfully implemented a substantial portion of our planned activities, demonstrating resilience and strategic agility. The alignment of our projects with broader constituency priorities ensured that our interventions were impactful and sustainable.

##### **Strengthening Financial Governance**

In line with our commitment to transparency, accountability, and adherence to global best practices, the Committee, for the first time, transitioned to the International Public Sector Accounting Standards (IPSAS) – Accrual (Transitional) basis of reporting. This shift was undertaken not only to comply with regulatory requirements but also to enhance the quality, accuracy, and comparability of our financial statements. Notably, the accounting of Project Management Committees (PMCs) has also been fully on boarded into our reporting framework, enabling clearer and more comprehensive disclosure of project-level financial activities. By adopting these internationally recognized standards, we have strengthened our financial management framework, providing greater insight into the Fund's assets, liabilities, income, and expenditure, and reinforcing public trust in our stewardship of resources.

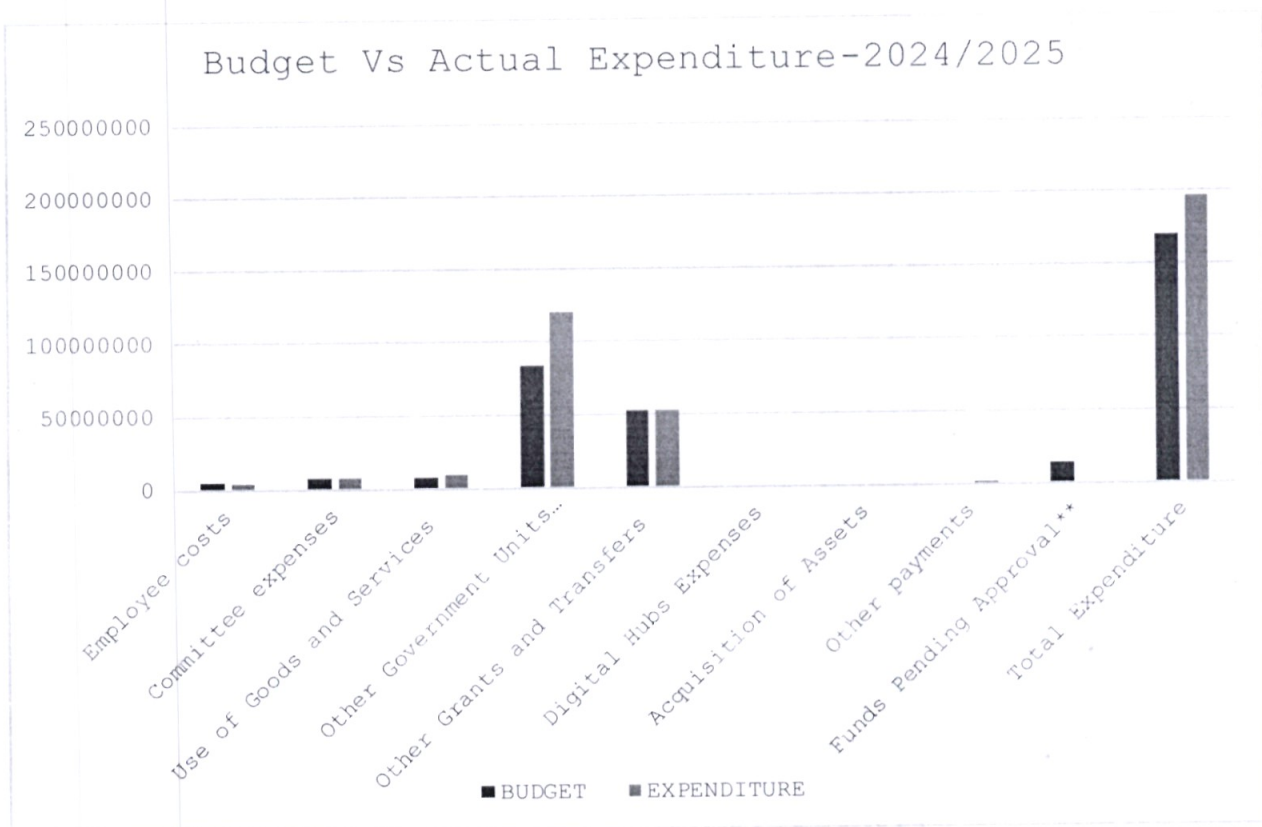
##### **Financial Performance**

The financial year ending June 2025 saw an approved budget of KShs 170,469,857. However, due to adjustments during the period under review—including opening balances and receipts from the NGCDF Board for previous financial years, PMCs opening balances totaling KShs 46,676,289 and KShs 76,583,624 respectively—the expected receipts for the financial year amounted to KShs 293,729,770.

**National Government Constituencies Development Fund (NGCDF)**  
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We received a total of KShs 251,559,913 representing 86% of the expected receipts. Notable areas of expenditure included transfers to other government entities (61%) and other grants and transfers (92%), reflecting our commitment to supporting essential services and community welfare.

A key achievement in our financial stewardship was maintaining a high level of transparency and accountability, which has been reinforced through rigorous monitoring and evaluation processes. The graph below provides a visual representation of our financial performance across various categories.



**Projects and Achievements**

**1. Bursary Program**

Education remains a cornerstone of our development agenda. In the financial year 2024/2025, we disbursed a total of KShs 42,164,886 to various learning institutions, ensuring that bright and needy students within Ikolomani could continue their education without interruption. This investment in our youth is an investment in the future of our constituency.



Hon. Benard Shinali Presenting Bursary Cheque at Shiduha Secondary School

## **2. Infrastructure Development**

Our commitment to improving infrastructure within the constituency led to the successful completion of several key projects. These include:

- Malinya Primary School: Providing a conducive learning environment for our children.
- Kakamega Sub-County Education Office: Providing a clean and private space for staff and visitors
- Madivini Primary School: Supporting educational infrastructure to meet the growing needs of our community.

In addition to these completed projects, several others are at advanced stages of completion, and we anticipate their successful conclusion in the coming months. These projects collectively contribute to the improvement of education, security, and administrative services, thereby enhancing the quality of life for our constituents.



**Madivini Primary School-Construction of 8 No Storey Classrooms**



**Kakamega South sub-county Education Office -Construction of 4 Door Pit Latrines and Urinal.**



**Malinya Primary School-Construction of 8 No storey Classrooms**

### **3. Monitoring and Evaluation**

To ensure the effective utilization of resources and the achievement of our strategic objectives, we implemented a robust monitoring and evaluation framework. Quarterly assessments were conducted to evaluate the progress of ongoing projects, identify potential bottlenecks, and strengthen our internal controls. This proactive approach has been instrumental in maintaining the integrity and impact of our initiatives.

#### **Challenges and Mitigation Measures**

While we made significant strides, the year was not without its challenges. The delayed disbursement of funds from the NGCDF Board posed a significant obstacle to our operations. However, through strategic planning, prudent financial management, and effective stakeholder engagement, we managed to mitigate these challenges and keep our projects on track. Additionally, we encountered logistical challenges in project implementation, particularly in remote areas. To address this, we leveraged local partnerships and community involvement, which proved invaluable in overcoming these obstacles.

#### **Future Outlook**

As we look ahead to the next financial year, our focus will be on sustaining the momentum we have built. Key priorities include the completion of ongoing projects, the initiation of new development initiatives, and the continued support of our bursary program. We will also explore innovative funding mechanisms to supplement our NGCDF allocations, ensuring that our development agenda remains robust and resilient in the face of financial uncertainties. Furthermore, we plan to deepen our engagement with the community, fostering greater participation in project planning and implementation. This will not only enhance the relevance of our initiatives but also build a stronger sense of ownership and accountability among our constituents.

### **Acknowledgments**

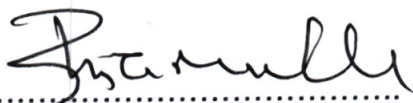
As we conclude the financial year 2024/2025, I wish to extend my deepest gratitude to the dedicated members of the Ikolomani NGCDFC for their unwavering commitment, collaboration, and professionalism. Special thanks go to our Member of Parliament, Hon. Benard Shinali, whose steadfast support and guidance have been pivotal to our successes. I would also like to acknowledge the invaluable contributions of Mr. Sylvester Onyango, the Kakamega South Sub County Accountant, whose meticulous record-keeping provided the foundation for this report. My heartfelt appreciation also goes to our Fund Account Manager and his team, who have worked diligently to ensure that this report is comprehensive and timely.

### **Conclusion**

In closing, I am optimistic about the future of Ikolomani. Together, we have made remarkable strides in advancing development projects that have a tangible impact on the lives of our constituents. As we move forward, our vision for a more prosperous Ikolomani will continue to guide our efforts, ensuring that we serve our community with diligence, integrity, and a shared sense of purpose.

I look forward to another year of collective efforts, innovation, and progress. With your continued support, we will achieve even greater heights in the service of our constituency.

Thank you.



.....  
David Muliru Lisamula  
Chairman NGCDF Committee

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

### Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer, when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives. The key development objectives of NGCDF-Ikolomani Constituency's 2023-2027 Strategic Plan are to:

1. Improve the standard of living for a majority of the families of the poor and vulnerable
2. Facilitate access to crucial services to priority sectors and groups
3. Mobilize investment in productive activities, value chains, and linkages in agriculture and mining
4. Leverage opportunities by creating synergies with other sectors and partners for the socio-economic transformational agenda of Ikolomani
5. Strengthen ICT, Culture, Arts, and Sports based enterprises driven by youth and women

### Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school-going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	32 New classrooms in Primary schools, 2 classrooms renovated in a primary school, 24 new classrooms in JSS, and 1 Dormitory in a secondary school were constructed to completion. 6,960 secondary students, 1,523 tertiary students, and 468 Special School students were awarded bursaries

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

<b>Security</b>	Improve security and maintain law and order in the community.	Constructed Police Station office	The number of offices constructed.	Completed the construction of Iguhu police station office block.
<b>Environment</b>	Enhance environmental sustainability	Planting of fruit trees in Schools	The number of fruit trees planted	1,000 fruit trees planted
<b>Climate Change Mitigation activities</b>	Enhance environmental sustainability	Planting of fruit trees in Schools	The number of fruit trees planted	2,000 fruit trees planted
<b>Emergency</b>	Improve hygiene standards in schools and other sectors.	Construction of Modern toilets in schools and other sectors	The number of toilets built-in primary and secondary Schools, AP Camp and Sub-County Office.	The constituency constructed 6-door pit latrines in 5 Primary schools 12-door pit latrines in one secondary school, 4 Door Pit Latrine and urinal in 1 Secondary School 4 Door Pit Latrine, Urinal and Bathrooms at 1 AP Camp, 4 Door Pit Latrine and urinal at Kakamega Sub-County Office.

## 6. Governance Statement

### a. NG-CDFC process of appointment

(Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund (NG-CDF) Act state that:

There is established a National Government Constituency Development Fund Committee for every constituency.

#### 1. Constituency Committee Shall comprise of;

- a) the national government official responsible for co-ordination of national government functions.
- b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
- c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
- d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection 3);
- e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- g) one member co-opted by the Board in accordance with regulations made by the Board

#### 2. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board.

The current NGCDFC members were gazetted on 15<sup>th</sup> December 2022 (Vol. CXXIV—No. 276) and the first meeting was held on 30<sup>th</sup> December 2022.

The persons appointed are drawn from different groupings as follows:

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

No.	Name	Category	Statutory Provdion for Assumption of Position
1.	Evans Miheso Mwachi-Member	Male Youth Representative	Appointment, pursuant to Sec.43 (2) (b)
2.	David Muliru Lisamula-Chairman	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
3.	Sheverlyne Chimasi Odally-Member	Female Youth Representative	Appointment, pursuant to Sec.43 (2) (c)
4.	Pasilisa Khatayi Shitsukane-Member	Female Adult Representative	Appointment, pursuant to Sec.43 (2) (c)
5.	Gideon Mukhovi Lidwaga-Member (Deceased)	Representative of Persons Living with Disability	Appointment, pursuant to Sec.43 (2) (d)
6.	Patrick Shikuri Wendo-Member	Nominee of the Constituency Office (Male)	Appointment, pursuant to Sec.43 (2) (e)
7.	Hellen Ingato Munzala-Member	Nominee of the Constituency Office (Female)	Appointment, pursuant to Sec.43 (2) (e)
8.	Josephat Miheso Luseka-Member	Co-Opted Member	Appointment, pursuant to Sec.43 (2) (g)

**b. NG-CDFC Tenure**

The term of office of the members of the Constituency Committee shall be two years and shall be renewable, but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board. The current Committee's tenure expired on 15th December 2025; however, in accordance with the provisions of the NGCDF Act, they shall continue to serve in office until the gazettelement and inauguration of a new Committee.

**c. The Role of the Constituency Committee**

The CDFC plays a crucial role in managing the NGCDF at the constituency level. It identifies, approves, and monitors projects that align with national priorities and local needs. The committee ensures efficient fund management, timely project implementation, and transparent reporting. Additionally, the CDFC engages with the community to seek input and ensure compliance with relevant laws and regulations.

**d. Removal of a member**

The CDFC can remove a member for gross misconduct, incompetence, physical or mental incapacity, conflict of interest, conviction of a criminal offense, or absenteeism. The removal

process involves a petition, notification, a hearing, and a decision by two-thirds of the members.

**e. NG-CDFC Induction and training**

A comprehensive training program for the National Government Constituencies Development Fund Committee (NGCDFC) members from the Western Region was held from **13th May 2024** to **17th May 2024** at **Tom Mboya Labour College in Kisumu**. This training aimed to equip committee members with the necessary knowledge and skills to perform their roles effectively.

**Key Aspects of the Training:**

- **Overview of the NGCDF Act:** Understanding the legal framework and the evolution of the NGCDF, including the roles and responsibilities of committee members.
- **Project Planning and Public Participation:** Emphasized effective planning, budgeting, and the importance of engaging the public in decision-making processes.
- **Governance and Integrity:** Covered essential aspects of good governance, anti-corruption measures, and adherence to the Public Procurement and Asset Disposal Act 2015 and its regulations.
- **Risk Management and Audit:** Focused on identifying and managing risks within the NGCDF operations, with an emphasis on transparency and accountability.
- **Technical Aspects of Project Management:** Provided insights into the phases of project execution, from initiation to completion, including monitoring and evaluation.

This training was crucial in ensuring that all NGCDFC members are well-prepared to carry out their duties in alignment with national policies and standards.

**f. Number of meetings:**

NG-CDF Act Section 43(11) stipulates that the Constituency Committee shall meet at least six times in a year but shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

In Ikolomani Constituency, the NG-CDF Committee conducted 12 meetings and 6 sub-committee meetings.

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

No.	Name of committee member	Meetings Held On											
		24/07/24	29/08/24	30/09/24	30/10/24	28/11/24	20/12/24	27/01/25	24/02/25	28/03/25	30/04/25	28/05/25	26/06/25
1.	David Muliru Lisamula-Chairman	√	√	√	√	√	√	√	√	√	√	√	√
2.	Evans Miheso Mwachi-Member	√	√	√	√	x	√	√	√	√	√	√	√
3.	Pasilisa Khatayi Shitsukane-Member	√	√	√	√	√	√	√	√	√	√	√	√
4.	Sheverlyne Chimasi Odally-Member	√	√	√	√	√	√	√	√	√	√	√	√
5.	Josephat Miheso Luseka-Member	√	√	√	√	√	√	√	√	√	√	√	√
6.	Patrick Shikuri Wendo-Secretary	√	√	√	√	√	√	√	√	√	√	√	√
7.	Hellen Ingato Munzala-Member	√	√	√	√	√	√	√	√	√	√	√	√

**g. Remuneration Rates**

As of the latest review on 25th October 2011, the remuneration rates for the National Government Constituencies Development Fund Committee (NGCDFC) s were adjusted through a circular issued by the NGCDF Board (REF: CDF BOARD/MOP/Vol. III (30)I(30)), titled "Adjustment of Constituency Development Fund Committees Sitting Allowance." According to this circular, the sitting allowances for the CDFCs are as follows:

Members: KShs 5,000 per meeting

Chairman: KShs 7,000 per meeting

These rates remain the most current remuneration guidelines for the NGCDFCs.

**h. Disclose the policy on conflict of interest**

The NGCDFC has a strict conflict of interest policy that requires to disclose their interests, abstain from participation, and record conflicts. Non-compliance may result in disciplinary action, including removal from the committee. This policy ensures the integrity and transparency of the committee's operations.

**i. Succession plan**

Vacancies arising as a result of the removal or end of tenure of the 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 a member.

**j. Ethics and code of conduct**

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

**k. Risk Management**

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

- Implementing the operational risk management framework.
- Conducting regular Risk and Control Self-Assessment.
- Monitoring and reporting operational risks.
- Recording and reporting incidents.
- Collecting, analyzing, and reporting Key Risk Indicators.
- Executing the crisis management plan in case of a crisis.
- Ensuring compliance with risk management policies and procedures.
- Implementing improvements to controls to reduce risks.

## 7. Management Discussion and Analysis

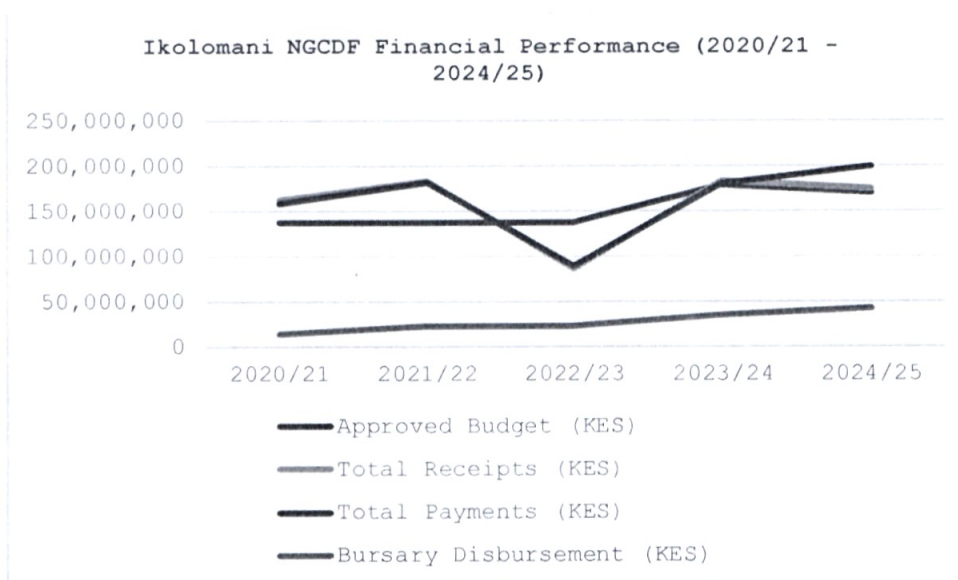
This management discussion and analysis provides a detailed overview of the operational and financial performance of the Ikolomani National Government Constituencies Development Fund (NGCDF) over the past five financial years (2020/21 to 2024/25). It highlights the Fund's key projects, compliance with statutory requirements, major risks, material arrears, as well as a review of the economy and the sector. This section also outlines future developments aimed at enhancing service delivery and community impact.

### Operational and Financial Performance (2020/21 – 2024/25)

Over the last five years, the Ikolomani NGCDF has demonstrated consistent performance in the execution of its mandate, with strategic emphasis on education, infrastructure development, security, and social welfare programs. The table below summarizes the approved budgets, total receipts, total payments, and bursary disbursements across the five-year period:

Financial Year	Approved Budget (KES)	Total Receipts (KES)	Total Payments (KES)	Bursary Disbursement (KES)
2020/21	137,093,879	162,267,724	158,073,774	14,522,500
2021/22	137,088,879	183,447,758	181,734,423	23,484,812
2022/23	138,215,033	87,000,000	89,782,596	23,199,000
2023/24	178,290,003	182,828,747	181,093,882	34,174,602
2024/25	170,469,857	174,976,289	199,085,377	42,164,886

The financial data shows an overall upward trend in funding and disbursements, with the highest receipts recorded in FY 2021/22 at KShs 190,122,543. Education has remained a top priority, with significant allocations made to bursaries, construction of classrooms, and related infrastructure.



**Figure 1: 5-Year Financial Performance of Ikolomani NGCDF.**

### Expenditure Performance – FY 2024/2025

For the year under review, the Fund had a final budget of KShs 293,729,769 after factoring in all the necessary adjustments. While the Actual expenditure on a comparable basis stood at KShs 196,863,042, representing an overall budget utilization rate of 67% and a variance of KShs 96,866,728.

The highest expenditure item was Other Government Units Certified Works, with a budget of KShs 198,004,870 and actual expenditure of KShs 120,565,065, reflecting an underutilization of KShs 77,439,805. This variance was primarily due to delayed project implementation and certification timelines.

Employee costs, Committee expenses, and Use of Goods and Services registered high utilization rates of 99% or more, demonstrating effective operational and administrative spending. Other Grants and Transfers achieved 92% utilization, with the shortfall attributed to pending disbursements at year-end.

Expenditure on Digital Hubs Expenses, Acquisition of Assets, and Other Payments was fully aligned to budget allocations. However, Funds Pending Approval amounting to KShs 14,970,000 remained unspent by the close of the financial year due to pending requisite approvals.

The expenditure performance for the financial year 2024/2025 is summarized in the table and illustrated in the chart below. The analysis compares the final approved budget against actual expenditure on a comparable basis, highlighting variances across the key expenditure categories. This presentation enables stakeholders to assess budget execution efficiency and identify areas of under- or over-utilization.

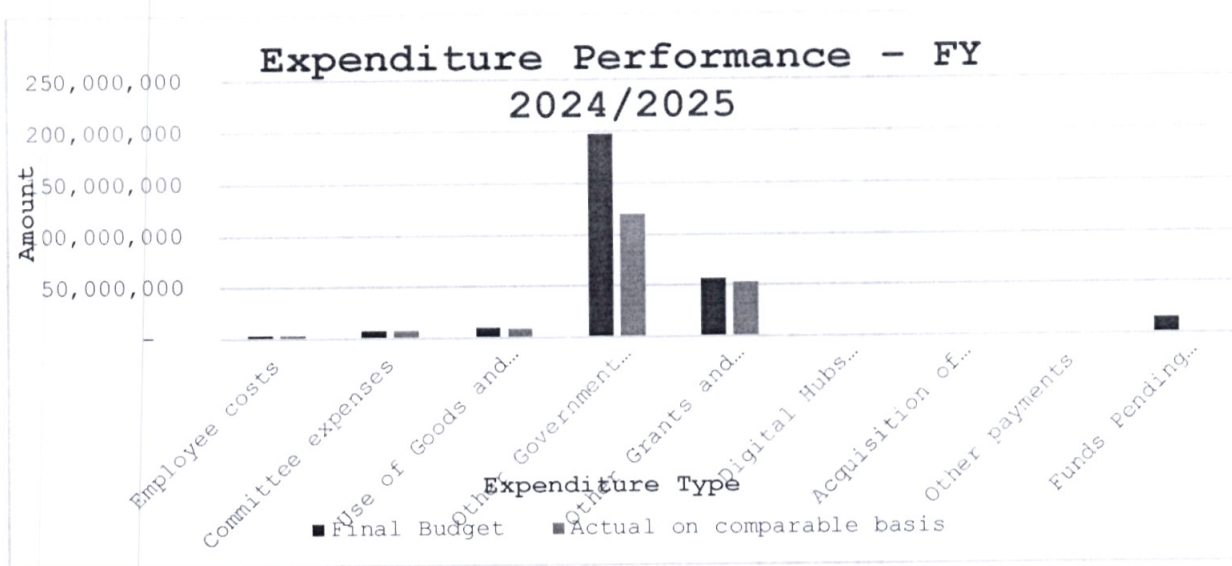


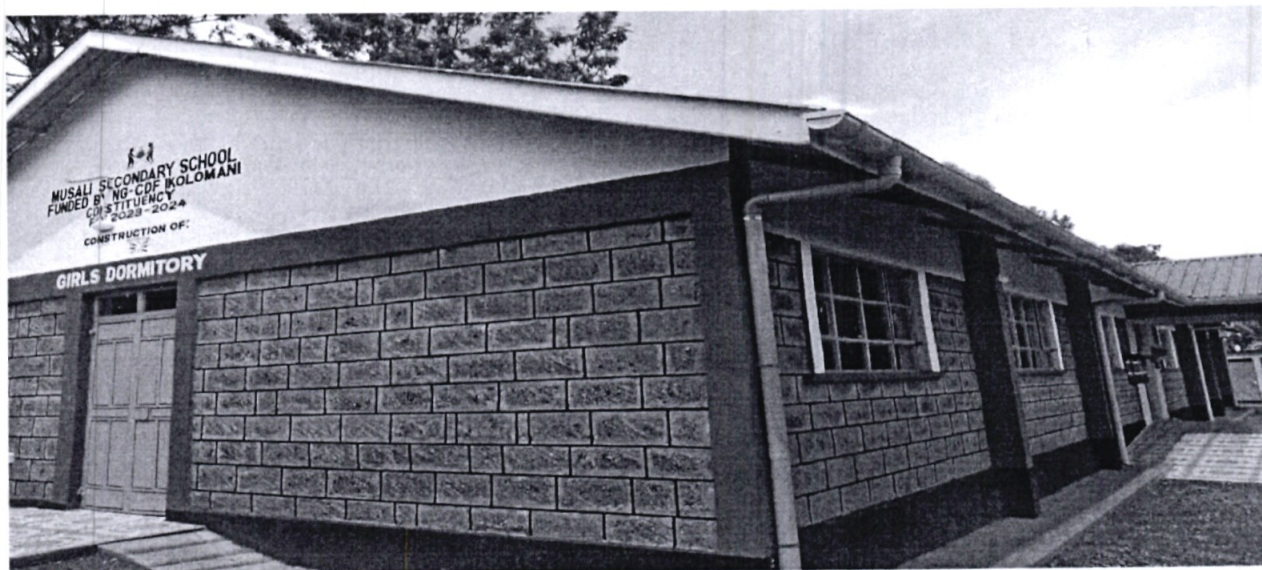
Figure 1: 5-Year Financial Performance of Ikolomani NGCDF.

Overall, the Fund maintained sound expenditure control, with variances mainly arising from timing differences in project execution rather than overspending.

### Key Projects Implemented and Ongoing

The Ikolomani NGCDF has successfully implemented a range of projects that have had a transformative impact on the local community. Some of the notable projects over the review period include:

**Education Infrastructure** Construction of over 90 new classrooms, several dormitories, and laboratories across primary, secondary, and tertiary institutions.



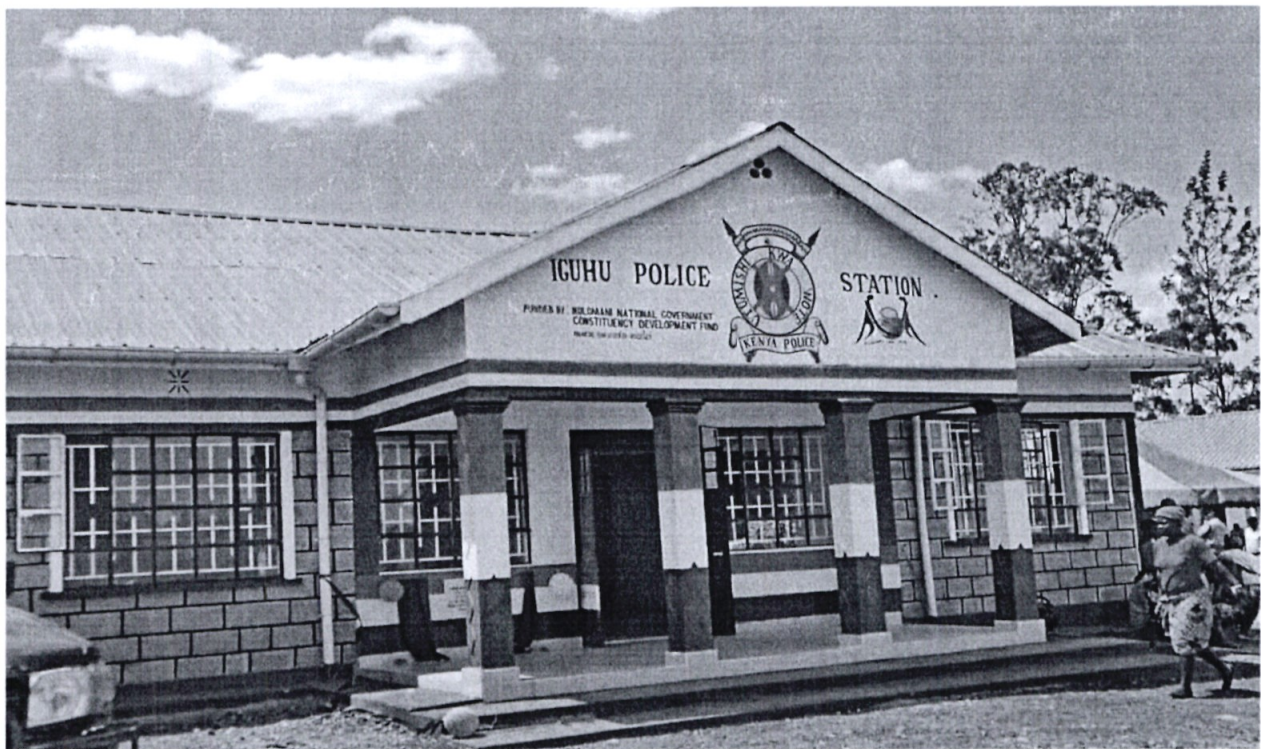
Imusali Secondary School-Construction of Girls Dormitory

Bursary Program: Disbursement of over KShs 120 million in bursaries to support thousands of students in secondary schools, colleges, and universities.



Hon. Benard Shinali Presenting Bursary Cheque at Musingu High School

Security Infrastructure Construction of Iguhu Police Station and other security posts to enhance law enforcement and public safety.



Ighu Police station-Construction of Office Block

**Environmental Sustainability** Distribution of 1,000 tree seedlings to public institutions as part of the environmental conservation program.

### **Compliance with Statutory Requirements**

The Fund has maintained a high level of compliance with statutory and regulatory requirements, including adherence to the Public Finance Management Act (PFMA), the NG-CDF Act, 2015 (amended 2023), and IPSAS Accrual Basis standards. All annual financial statements have been prepared and submitted to the Office of the Auditor General within the prescribed timelines. Additionally, procurement and project implementation have followed the Public Procurement and Asset Disposal Act guidelines.

### **Major Risks Facing the Fund**

The Fund faces several operational and financial risks, including:

**Delayed Disbursements** Timely release of funds from the National Treasury remains a critical challenge, impacting project timelines.

**Economic Volatility** Rising inflation and fluctuations in construction material costs can affect project budgeting and execution.

**Political and Governance Risks** Changes in policy direction and leadership transitions can influence fund allocation and priorities.

**Fraud and Mismanagement Risks** Continuous strengthening of internal controls and audits mitigates these risks.

### **Viability as a Going Concern**

A major and existential risk facing the Fund is its viability to continue operating as a going concern. This arises from the landmark court decision which declared the National Government Constituencies Development Fund (NG-CDF) Act, 2015 and all its subsequent amendments unconstitutional. The courts provided a moratorium of two (2) years to allow the Fund to wind down its operations, with the deadline set for 30th June 2026. Despite efforts to cure this challenge—such as appealing the ruling and seeking to entrench the Fund in the Constitution through an amendment bill which has already passed in the National Assembly and is currently under consideration in the Senate—there remains a substantial risk that the legal deadline may arrive before any substantive legal resolution or restructuring is achieved.

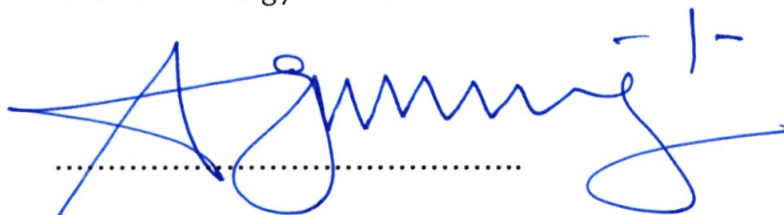
## Review of the Economy and Sector

The Kenyan economy has experienced mixed growth over the last five years, with external shocks such as the COVID-19 pandemic, global supply chain disruptions, and inflationary pressures influencing the economic environment. Despite these challenges, the government's commitment to decentralized funds, including NG-CDF, has ensured continuous support for grassroots development. In the education sector, the transition to the Competency-Based Curriculum (CBC) and Junior Secondary Schools (JSS) has necessitated significant infrastructure investments, which the Fund has actively supported.

## Future Developments

Looking forward, the Ikolomani NGCDF aims to:

- i. Complete ongoing infrastructure projects, including additional classrooms and dormitories.
- ii. Expand the bursary program to reach more students, with a focus on tertiary education.
- iii. Introduce digital tools for project monitoring, reporting, and beneficiary tracking.
- iv. Strengthen partnerships with development agencies and the private sector for co-funded projects.
- v. Promote green and sustainable development initiatives, including tree planting and renewable energy solutions.



Tom Oriwa Ageng'a  
Fund Account Manager

## 8. Environmental and Sustainability Reporting

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

### 1. Sustainability strategy and profile

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

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

Ikolomani Constituency has continued to implement the Climate Change Mitigation Programme as a guiding policy framework to conserve the environment and safeguard its natural resources. This approach aligns with the national government's climate agenda and underscores the Constituency's commitment to sustainable development. Over the reporting period, the Fund facilitated the planting of more than 1,000 trees, including a significant number of indigenous species to promote biodiversity restoration. Additionally, water tanks were installed in various learning institutions to enhance water harvesting and management, thereby supporting both environmental and educational needs.

NG-CDF-supported students have actively participated in environmental conservation activities, such as tree planting exercises, conducted at least once in every academic calendar year. In addition, public participation forums have been held to educate youth and the wider community on NG-CDF fundable projects, with a particular emphasis on Climate Change Mitigation.

Addressing social challenges, the NG-CDFC has undertaken targeted campaigns to sensitize youth and community members on the dangers of drug abuse. This initiative has been complemented by infrastructure investments in the security sector, with the construction of key facilities such as the Iguhu Police Station and National Government Administration Offices (NGAO). These developments have greatly enhanced security and improved the capacity for law enforcement within the constituency.

## **3. Employee welfare**

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

Ikolomani 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 honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

#### **5. Community Engagements-**

Ikolomani 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**

Ikolomani 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.

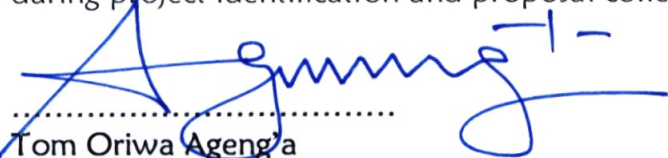
**Public participation** is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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.

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

  
.....  
Tom Oriwa Ageng'a  
Fund Account Manager.

## 9. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Ikolomani 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-Ikolomani 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- Ikolomani Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

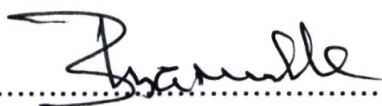
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The Accounting Officer in charge of the NGCDF Ikolomani Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's 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.

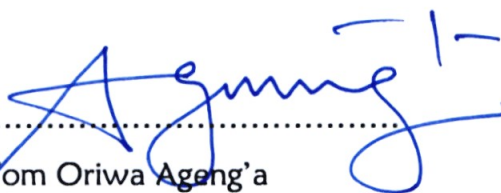
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

#### Approval of the financial statements

The NGCDF- Ikolomani Constituency financial statements were approved and signed by the Accounting Officer on 10/12/ 2025.



.....  
David Muliru Lisamula  
Chairman – NGCDF Committee



.....  
Tom Oriwa Ageng'a  
Fund Account Manager

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

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### **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 – Ikolomani Constituency set out on

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

pages 1 to 72, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1. Variances Between the Financial Statements and Supporting Schedules Amounts**

The statement of financial performance reflects other grants and transfers expenditure of Kshs.53,616,117, which as disclosed in Note 14 to the financial statements includes emergency projects expenditure of Kshs.11,432,911. However, supporting schedule provided for audit reflects emergency expenditure of Kshs.11,570,000 resulting to unexplained variance of Kshs.137,089. Further, the statement of financial performance reflects other Government units expenditure of Kshs.121,210,123, while supporting schedules reflect Kshs.101,551,283 resulting to unexplained variance of Kshs.19,658,840.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of financial performance could not be confirmed.

#### **2. Unsupported Project Management Committee (PMC) Accounts Balances**

The statement of financial position and as disclosed in Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.54,696,871 out of which Kshs.49,762,535 relates to PMC accounts balances. Further, Annex 2 to the financial statements reflect seventy-four (74) Project Management Committees (PMC) bank balances with various balances ranging from Kshs.61 to Kshs.5,753,602 totalling Kshs.49,762,535 with an opening comparative balance of Kshs.67,663,973.

However, these bank balances were not supported by the respective cash books, bank reconciliation statements and certificates of bank balances.

In the circumstances, the accuracy and completeness of the PMC accounts balances of Kshs.49,762,535 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects approved budgeted revenue of Kshs.293,729,770 and actual receipts of Kshs.251,559,913 resulting in under-funding of Kshs.42,169,857 or 14% of the budget. Similarly, the Fund spent Kshs.196,863,042 out of budgeted expenditure of Kshs.293,729,769 resulting to under-performance of Kshs.96,866,042 or 33% of the budget.

The under-funding and under-performance affected implementation of 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 Matter**

#### **Unresolved Prior Year Audit Matters**

In the report for the previous year, several issues were raised under Emphasis of Matter, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance, as detailed in **Appendix I**. However, Management has not resolved the issues or given any explanation for the delay in resolving the issues.

### **Other Information**

Management is responsible for the Other Information set out on page iii to xxxv which comprise of Key Entity 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 Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

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

Review of the implementation of cash basis to accrual basis of accounting roadmap at the National Government Constituencies Development Fund – Ikolomani Constituency revealed that the Accounting Officer of the Fund did not establish a cash to accrual transition committee at the entity level and did not appoint a project manager to oversee the transition contrary to The National Treasury and Economic Planning circular No.3/2025 of 14 April, 2025 on Guidelines on transition from cash to accrual accounting by the National Government, County Governments and their respective entities.

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

#### 2. Delayed Disbursements of Funds from the Board

The statement of financial performance reflects transfers from National Government Constituencies Development Fund Board during the year ended 30 June, 2025 amounting to Kshs.170,469,857. However, Kshs.174,976,289 was received during the year under review out of which Kshs.44,976,289 related to 2023/2024 financial year.

The approved allocation from the Board was Kshs.293,729,769 for the year 2024/2025 which included opening balance and previous year outstanding balance. However, an amount of Kshs.22,000,000 was received at the close of the financial year on 17 June, 2025 contrary to Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which states that the disbursement of funds to the Constituency Fund Account shall be effected at the beginning of the first quarter of each

financial year with an initial amount equivalent to twenty-five per centum of the allocation for the constituency and thereafter the Constituency Fund Account shall be replenished in three equal instalments at the beginning of the second, third and fourth quarters of the financial year.

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

### **3. Project Implementation Status**

Review of the project implementation status report provided for audit revealed that the Fund planned to execute seventeen (17) projects with an estimated cost of Kshs.102,483,758 in the 2024/2025 financial year. Out of these, four (4) projects totalling Kshs.8,711,500 were reported as complete and ten (10) projects with estimated cost of Kshs.84,400,000 were ongoing, with three (3) projects with estimated cost of Kshs.9,372,250 not yet started and were at tendering stage.

In the circumstances, the public did not get value for money in respect to the ongoing and not started projects.

### **4. Incomplete Construction of Classrooms**

Review of project implementation report revealed various projects from previous years which have remained incomplete some dating back to 2013/2014 financial year. It was not clear why the Fund Management has continued undertaking new projects without completing and handing over previous projects.

Audit inspection of seven (7) projects with a contract sum of Kshs.108,704,395 funded by the Fund revealed significant weaknesses in both financial and contract management. The projects have been implemented in phases across successive budget periods and have already received funding up to the total contract sum. Despite this, classrooms remain incomplete and unused. Further, most contractors were not on site during the audit inspection of the projects.

In the circumstances, the public has not realized value for money on projects being implemented.

### **5. Outstanding Tax Arrears Owed to Kenya Revenue Authority**

Following a tax audit by the Kenya Revenue Authority covering the five-year period from 2014 to 2018, the Fund was assessed to have tax arrears amounting to Kshs.34,865,232 which had not been settled as at 30 June, 2025 and the tax liability was not disclosed in the financial statements.

In the circumstances, Management was in breach of the tax laws and non-settlement of the tax arrears will attract additional costs in terms of penalties and interest.

### **6. Failure to Prepare Quarterly Financial Reports**

During the year under review, Management did not prepare quarterly financial reports. This was contrary to Section 83 of the Public Finance Management Act, 2012, which provides that (1) an Accounting Officer for a National Government entity shall prepare a report for each quarter of the financial year in respect of the entity.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of Internal Audit Report**

During the year under review, there was no evidence provided for audit indicating that the internal audit unit reviewed the operations, risk management and internal controls of the Fund.

In the circumstances, the effectiveness of internal controls and risk management could not be confirmed.

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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to cease operations.

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

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

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


### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**15 December, 2025**

## Appendix I: Unresolved Prior Year Audit Matters

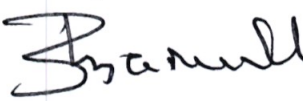
Reference No. of the Auditor-General's Report	Title of Audit Issue
	<b>Emphasis of Matter</b>
1	Budgetary Control and Performance
	<b>Report on Lawfulness and Effectiveness in the Use of Public Resources</b>
1	Stalled Project at Bushiangala Primary school
2	Unaccounted Expenditure on Strategic Plan
3	Failure to Report Emergency Projects
	<b>Report on Effectiveness of Internal Controls, Risk Management and Governance</b>
1	Inadequate Internal Control in Management of Bursaries


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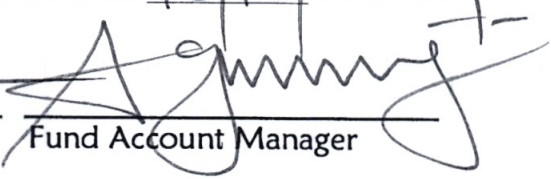
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	Period ended June Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	170,469,857
Grants/donations from other entities	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>170,469,857</b>
<b>Expenses</b>		
Employee costs	10	4,953,615
Committee expenses	11	8,160,402
Use of Goods and Services	12	11,121,245
Other Government Units Actual expenditure	13	121,210,123
Other Grants and Transfers Actual expenditure	14	53,616,117
Depreciation and amortization expense	15	23,875
Digital Hubs Actual expenditure	16	-
<b>Total expenses</b>		<b>199,085,377</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>(28,615,520)</b>

The Constituency financial statements were approved by the NGCDFC on 10/12/2025 and signed by:

  
Chairman NG-CDF  
Committee  
David Muliru Lisamula

  
National Sub-County  
Accountant  
Sylvester Onyango Olengo  
ICPAK M/No: 24730

  
Fund Account Manager  
Tom Oriwa Ageng'a

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

12. Statement of Financial Position as at 30th June, 2025

	Note	Period as at June 2025 Kshs	Opening Statement 1st July 2024 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	54,696,871	76,583,624
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,169,857	46,676,289
Prepayments	22	-	-
<b>Total Current Assets</b>		<b>96,866,728</b>	<b>123,259,913</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	167,125	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>167,125</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>97,033,853</b>	<b>123,259,913</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	1,638,632	-
Lease Liabilities	28	-	-
Gratuity provision	29	2,330,089	1,579,261
<b>Total Current Liabilities</b>		<b>3,968,721</b>	<b>1,579,261</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>3,968,721</b>	<b>1,579,261</b>
<b>Net Assets (A-B)</b>		<b>93,065,132</b>	<b>121,680,652</b>
<b>Represented by:</b>			
Revaluation Reserves		93,065,132	121,680,652
Accumulated Surplus		-	-
<b>Total Net Assets</b>		<b>93,065,132</b>	<b>121,680,652</b>

*National Government Constituencies Development Fund (NGCDF)  
Ikolomani Constituency  
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The Constituency financial statements set out on pages 3 to 4 approved by NG CDFC on 10/12/2025 2025 and signed by:

Chairman NG-CDF  
Committee  
David Muliru Lisamula

National Sub-County  
Accountant  
Sylvester Onyango Olengo  
ICPAK M/No: 24730

Fund Account Manager  
Tom Oriwa Ageng'a

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

Description	Reserves Kshs	Accumulated surplus/Deficit Kshs	Total Kshs
As at 30 <sup>th</sup> June 2024 (cash basis)	-	7,340,390	7,340,390
Adjustments: (to recognize assets and liabilities)			
Add Assets	114,340,262	-	114,340,262
Less Liabilities	-	-	-
As at July 1, 2024	114,340,262	7,340,390	121,680,652
Surplus/(Deficit) For the Period	-	(28,615,520)	(28,615,520)
Revaluation Gain/Loss	-	-	-
As at 30th June 2025	114,340,262	(21,275,130)	93,065,132

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

	Notes	Period ended June Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		174,976,289
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>174,976,289</b>
<b>Payments</b>		
Employee costs		4,202,787
Committee expenses		8,160,402
Use of Goods and Services		11,121,245
Other Government Units Certified Works		120,565,065
Other Grants and Transfers		52,622,543
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>196,672,042</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	30	<b>(21,695,753)</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		(191,000)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>(191,000)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(21,886,753)</b>
<b>Cash Flows from Financing Activities</b>		
Lease payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>(21,886,753)</b>
Cash and cash equivalents at Period Start	19	76,583,624
<b>Cash and cash equivalents at Period End</b>	19	<b>54,696,871</b>

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
	Insert current FY	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	Insert current FY	Insert current FY		
<b>Revenue</b>							
Transfers From the NGCDF Board	170,469,857	76,583,624	46,676,289	293,729,770	251,559,913	42,169,857	86%
Grants/donations from other entities	-	-	-	-	-	-	0%
Finance income	-	-	-	-	-	-	0%
Miscellaneous income	-	-	-	-	-	-	0%
<b>Totals</b>	<b>170,469,857</b>	<b>76,583,624</b>	<b>46,676,289</b>	<b>293,729,770</b>	<b>251,559,913</b>	<b>42,169,857</b>	<b>86%</b>
<b>Expenses</b>							<b>0%</b>
Employee costs	2,491,539	1,761,457	-	4,252,996	4,202,787	50,209	99%
Committee expenses	7,644,000	263,567	260,800	8,168,367	8,160,402	7,965	100%
Use of Goods and Services	7,405,262	1,154,186	1,073,206	9,632,654	9,626,245	6,409	100%
Other Government Units Certified Works	86,256,958	67,296,629	44,451,283	198,004,870	120,565,065	77,439,805	61%

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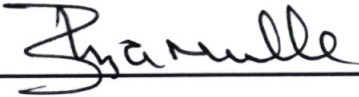
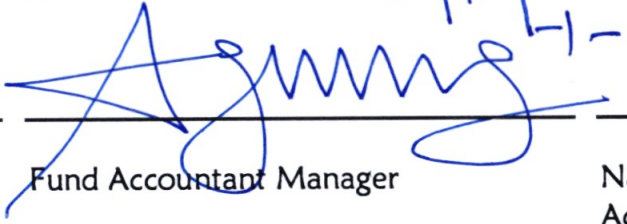

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
Other Grants and Transfers	52,672,097	4,131,289	200,000	57,003,386	52,611,047	4,392,339	99%
Acquisition of Assets	-	-	191,000	191,000	191,000	-	100%
Other payments	-	1,506,496	-	1,506,496	1,506,496	-	100%
Funds Pending Approval	14,000,000	470,000	500,000	14,970,000	-	14,970,000	0%
<b>Total Expenditure</b>	<b>170,469,857</b>	<b>76,583,624</b>	<b>46,676,289</b>	<b>293,729,769</b>	<b>196,863,042</b>	<b>96,866,728</b>	<b>67%</b>
Surplus for the period					54,696,871	( 54,696,871)	

*Explanatory Notes.*

- i. Underutilization in Transfers to Other government entities was because of incomplete disbursement of budgeted funds at the end of the financial year.
- ii. Unallocated fund consists of Appropriations in Aid of Kshs 470,000 and projects pending approval by the NGCDF Board of KShs 14,500,000

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	96,866,728
Less undisbursed funds receivable from the Board as at period July, 2024	42,169,857
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	54,696,871

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 10/12/2025 and signed by:

		
Chairman NG-CDF Committee	Fund Accountant Manager	National Sub-County Accountant
David Muliru Lisamula	Tom Oriwa Ageng'a	Sylvester Onyango Olengo ICPAK M/No: 24730

*National Government Constituencies Development Fund (NGCDF)*  
*Ikolomani Constituency*  
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16. Budget Execution by Sectors and Projects for The Year Ended 30<sup>th</sup> June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,491,539	1,761,457	-	4,252,996	4,202,787	50,209
1.2 Committee allowances	3,819,000	261,867	260,800	4,341,667	4,336,947	4,720
1.3 Use of goods and services	3,831,262	49,323	1,073,206	4,953,791	4,952,537	1,254
<b>Sub-total</b>	<b>10,141,801</b>	<b>2,072,647</b>	<b>1,334,006</b>	<b>13,548,455</b>	<b>13,492,271</b>	<b>56,184</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	10,000	1,074,318	-	1,084,318	1,083,000	1,318
2.2 Committee allowances	3,825,000	1,700	-	3,826,700	3,823,455	3,245
2.3 Use of goods and services	3,564,000	30,545	-	3,594,545	3,590,708	3,837
<b>Sub-total</b>	<b>7,399,000</b>	<b>1,106,563</b>	<b>-</b>	<b>8,505,563</b>	<b>8,497,163</b>	<b>8,400</b>
<b>4.0 Emergency</b>						
Shikondi Primary School	-	900,000	-	900,000	870,695	29,305
Busilwa Primary School	-	900,000	-	900,000	841,347	58,653
Matundu Primary School	850,000	-	-	850,000	847,897	2,103
Eregi Mixed Primary School	850,000	-	-	850,000	849,867	133
Shitechia Primary School	-	900,000	-	900,000	898,972	1,028
Malinya AP Camp	74,560	875,440	-	950,000	800,223	149,777
Mutaho Primary School	850,000	-	-	850,000	768,019	81,981
Ibuka Primary	950,000	-	-	950,000	841,315	108,685
Shirandalo Primary School	980,000	-	-	980,000	826,470	153,530

*National Government Constituencies Development Fund (NGCDF)*  
*Ikolomani Constituency*  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Shiduha Secondary	780,000	-	-	780,000	621,652	158,348
Kakamega South Sub County Education Office	800,000	-	-	800,000	682,898	117,102
St Cecilia Ichina Primary School	960,000	-	-	960,000	824,324	135,676
Musoli mixed Primary	900,000	-	-	900,000	765,658	134,342
unutilized	977,537	-	-	977,537	-	977,537
<b>Sub-total</b>	<b>8,972,097</b>	<b>3,575,440</b>	<b>-</b>	<b>12,547,537</b>	<b>10,439,337</b>	<b>2,108,200</b>
<b>5.0 Bursary and Social Security</b>						
5.1 Primary Schools	-	-	-	-	-	-
5.2 Secondary Schools	32,700,000	-	-	32,700,000	32,290,886	409,114
5.3 Tertiary Institutions	9,000,000	-	-	9,000,000	8,928,000	72,000
5.4 special needs	1,000,000	-	-	1,000,000	946,000	54,000
5.5 Education Support Programmes	-	-	-	-	-	-
5.6 Social Security	-	-	-	-	-	-
<b>Sub-total</b>	<b>42,700,000</b>	<b>-</b>	<b>-</b>	<b>42,700,000</b>	<b>42,164,886</b>	<b>535,114</b>
<b>7.0 Environment</b>						
Planting of trees	1,000,000	200,000	200,000	1,400,000	-	1,400,000
<b>Sub-total</b>	<b>1,000,000</b>	<b>200,000</b>	<b>200,000</b>	<b>1,400,000</b>	<b>-</b>	<b>1,400,000</b>
<b>8.0 Primary Schools Projects</b>						
Bugute Primary School	-	1,087	-	1,087	1,087	-

*National Government Constituencies Development Fund (NGCDF)*  
*Ikolomani 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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Bushiangala Primary School	9,500,000	3,003,821	1,000,000	13,503,821	3,882,876	9,620,945
Bushirika Primary School	-	2,968	-	2,968	-	2,968
Busilwa Primary School	-	1,782	-	1,782	1,782	-
Ibuka Primary School	-	770	-	770	-	770
Ibuyonje Primary School	-	3,050	-	3,050	120	2,930
Ibwali Primary School	-	361	-	361	361	-
Iguhu Primary School	-	100	-	100	100	-
Iguyio Primary School	-	28,064	-	28,064	28,064	-
Iluya Primary School 1	9,500,000	3,155,227	1,000,000	13,655,227	7,664,552	5,990,675
Imalaba Primary School	-	3,625	-	3,625	3,625	-
Imbale Primary School	6,473,200	3,013,983	1,000,000	10,487,183	7,527,804	2,959,379
Imulama Primary School	4,000,000	584,991	-	4,584,991	3,338,695	1,246,296
Irechelo Primary School	-	909	-	909	909	-
Iremele Primary School	12,000,000	3,307,921	1,000,000	16,307,921	7,554,319	8,753,602
Ishianji Primary School	-	35,413	-	35,413	35,120	293
Ishieywe Primary School	-	3,098,953	6,000,000	9,098,953	6,025,620	3,073,333
Itulubini Primary School	-	66,940	-	66,940	66,940	-
Ivole Primary School	-	4,384	-	4,384	4,384	-
Ivonda Primary School	5,000,000	1,499,230	-	6,499,230	5,725,317	773,913
Kasavayi Primary School	-	8,303	-	8,303	120	8,183
Lusiola Primary School	-	421,968	-	421,968	420,120	1,848

*National Government Constituencies Development Fund (NGCDF)*  
*Ikolomani 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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Lusui Primary School	-	3,000,267	4,960,000	7,960,267	5,794,766	2,165,501
Lwanaswa Primary School	-	543	-	543	543	-
Milimani Primary School	-	2,044	-	2,044	2,044	-
Mumbetsa Primary School	-	-	-	-	-	-
Musasa Primary School	-	3,691	-	3,691	3,691	-
Naliava Primary School	-	1,337,613	-	1,337,613	13,320	1,324,293
Shiavihiga Primary School	-	15,730	-	15,730	15,730	-
Shiduha Primary School	-	75,740	2,000,000	2,075,740	2,072,686	3,055
Shihalia Primary School	-	1,648	-	1,648	1,648	-
Shijiko Primary School	-	2,638	-	2,638	2,638	-
Shikokho Primary School	-	179	-	179	179	-
Shinyikha Primary School	-	427	-	427	427	-
Shirumba Primary School	-	3,000,972	5,371,283	8,372,255	6,462,394	1,909,862
Shiseno Primary School	-	1,597	-	1,597	1,597	-
Shitoli Primary School	-	6,408	-	6,408	6,408	-
Shiveye Primary School	8,500,000	3,554,490	1,000,000	13,054,490	8,064,605	4,989,886
St. Claire's Musoli Girls Boarding Pry School	-	35,197	-	35,197	35,197	-
Musoli Mixed Primary School	-	4,197	-	4,197	-	4,197
Burendwa Primary School	-	6,512	200,000	206,512	1,530	204,982
Iluya Primary School	-	1,192	-	1,192	-	1,192

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Imulembo Primary School	-	11,892	-	11,892	126	11,766
Imusali Primary School	-	2,803,825	6,700,000	9,503,825	5,312,790	4,191,035
Kaluni Primary School	-	7,657	-	7,657	1,656	6,001
Kimingini Primary School	-	3,922,235	850,000	4,772,235	2,248,680	2,523,555
Lirhembe Primary School	-	26,474	-	26,474	252	26,222
Madivini Primary School	1,200,000	250,444	-	1,450,444	1,401,032	49,412
Makhokho Primary School	-	1,255,810	850,000	2,105,810	1,490,790	615,020
Malinya Primary School 1	1,511,500	25,602	4,600,000	6,137,102	5,866,999	270,103
Malinya Primary School 2	-	960	-	960	-	960
Matundu Primary School	-	953,483	-	953,483	952,483	1,000
Mukoyani Primary School	-	515,928	-	515,928	515,825	103
Munyanza Primary School	-	52,516	-	52,516	-	52,516
Shianjetso Primary School	2,000,000	3,080,580	500,000	5,580,580	3,537,288	2,043,292
Shianjetso Primary School 2	-	885	-	885	252	633
Shichinji Primary School	-	8,375	-	8,375	-	8,375
Shikhombelo Primary School	-	733,972	-	733,972	482,483	251,489
Shikumu Primary School	2,500,000	2,449,395	-	4,949,395	2,012,023	2,937,372
Shimanyiro Primary School	-	908	-	908	-	908
Shitechia Primary School	-	4,091,319	4,420,000	8,511,319	6,525,951	1,985,368
Shivagala Primary School	-	749	-	749	-	749

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
St. Angela Eregi Boarding Primary School	-	1,257,392	-	1,257,392	1,110,059	147,333
Isulu Primary School	10,300,000	3,000,840	1,000,000	14,300,840	9,400,319	4,900,521
Lubambo Primary School	3,372,258	-	-	3,372,258	-	3,372,258
Ichina Primary School	3,000,000	-	-	3,000,000	-	3,000,000
Shisele Primary School	3,000,000	-	-	3,000,000	-	3,000,000
Mwikhomo Primary School	-	6,853,091	1,000,000	7,853,091	7,817,586	35,505
<b>Sub-total</b>	<b>81,856,958</b>	<b>60,599,262</b>	<b>43,451,283</b>	<b>185,907,503</b>	<b>113,437,908</b>	<b>72,469,596</b>
<b>9.0 Secondary Schools Projects (List all the Projects)</b>						
Imbale Secondary School	-	1,778	-	1,778	1,778	-
Shivagala Secondary School	-	439	-	439	378	61
Ivonda Secondary School	-	17,375	-	17,375	17,375	-
Lirhembe Friends Secondary School	-	5,341	-	5,341	5,341	-
Lirhembe Girls Secondary School	-	4,089	-	4,089	4,089	-
Lusui Secondary School	-	10,090	-	10,090	10,090	-
Makhokho Secondary School	-	2,330	-	2,330	2,330	-
Mutaho Girls Secondary School	-	23,904	-	23,904	23,904	-
Shiduha Secondary School	-	1,666	-	1,666	1,666	-
Shikokho Secondary School	-	93	-	93	93	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Shiveye Secondary School	-	415	-	415	415	-
St. Annes Musoli Girls Secondary School	4,400,000	2,139,036	1,000,000	7,539,036	3,934,997	3,604,039
St. Bonaventure Shimanyiro Secondary School	-	594,534	-	594,534	593,120	1,414
St. Francis Sabane Secondary School	-	157,185	-	157,185	15,720	141,465
St. Joseph Shichinji Secondary School	-	5,146	-	5,146	5,146	-
Bushiangala Secondary School	-	3,209	-	3,209	-	3,209
Iremele Secondary School	-	56,282	-	56,282	-	56,282
Shiamusinjili Secondary School	-	9,840	-	9,840	9,840	-
<b>Sub-total</b>	<b>4,400,000</b>	<b>3,032,751</b>	<b>1,000,000</b>	<b>8,432,751</b>	<b>4,626,282</b>	<b>3,806,470</b>
<b>10.0 Tertiary institutions Projects (List all the Projects)</b>						
KMTC Ikolomani Campus	-	3,470,515	-	3,470,515	2,496,790	973,725
Bushiangala Technical Training Institute	-	194,100	-	194,100	4,086	190,014
<b>Sub-total</b>	<b>-</b>	<b>3,664,615</b>	<b>-</b>	<b>3,664,615</b>	<b>2,500,876</b>	<b>1,163,739</b>
<b>11.0 Security Projects</b>						
Eregi Police station	-	8,740	-	8,740	-	8,740

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Lusui Police Station	-	295	-	295	295	-
Ikolomani North ACC's Office	-	11,227	-	11,227	-	11,227
Iguhu Police Station	-	4,899	-	4,899	1,530	3,369
Imulama Police Post	-	14,392	-	14,392	-	14,392
Kakamega South DCC's Headquarters	-	300,475	-	300,475	1,782	298,693
Lwanaswa Police Post	-	12,604	-	12,604	-	12,604
Imalaba Police Post	-	3,093	-	3,093	3,093	-
Isulu Police Station	-	124	-	124	124	-
<b>Sub-total</b>	-	<b>355,849</b>	-	<b>355,849</b>	<b>6,824</b>	<b>349,025</b>
<b>12.0 Acquisition of assets</b>						
12.1 Motor Vehicles (including motorbikes)		-	-	-		-
12.2 Purchase of furniture and fittings		-	191,000	191,000	191,000	-
12.2 Construction of CDF office		-	-	-		-
<b>Sub-total</b>	-	-	<b>191,000</b>	<b>191,000</b>	<b>191,000</b>	-
<b>13.0 Others</b>						
13.1 Strategic Plan	-	1,495,000	-	1,495,000	1,495,000	-
13.2 Ikolomani Constituency Sports Organisation		11,331	-	11,331	11,331	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
13.3 Shisele Market	-	165	-	165	165	-
<b>Sub-total</b>	-	<b>1,506,496</b>	-	<b>1,506,496</b>	<b>1,506,496</b>	-
<b>Funds pending approval</b>						
Unapproved funds	14,000,000	-	500,000	14,500,000	-	14,500,000
AiA	-	470,000	-	470,000	-	470,000
<b>Sub-total</b>	<b>14,000,000</b>	<b>470,000</b>	<b>500,000</b>	<b>14,970,000</b>	-	<b>14,970,000</b>
<b>Total</b>	<b>170,469,857</b>	<b>76,583,624</b>	<b>46,676,289</b>	<b>293,729,769</b>	<b>196,863,042</b>	<b>96,866,728</b>

## **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 Ikolomani Constituency principal activity is Ikolomani.

### **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 Ikolomani 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 Ikolomani 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 2024/2025 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 2024/2025 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 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Not applicable
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> 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 1<sup>st</sup> January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets

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<p>and Equipment</p>	<p>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>
<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial</p>

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	<p>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><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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 &amp; Evaluation of Mineral Resources</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ul> <p>Not applicable</p>

*iii. Early adoption of standards*

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

Not applicable

#### 4. Summary of Significant Accounting Policies

##### a) Revenue recognition

##### i) Revenue from non-exchange transactions

##### **Transfers from other government entities**

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

##### ii) Revenue from exchange transactions

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

The original budget was approved by Parliament on 30 June 2024 for the period 1<sup>st</sup> July 2025 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

**c) Property, plant and equipment**

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

**d) Leases**

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

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

**e) Intangible assets**

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

**f) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Trade and other receivables**

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

### **Fair value through surplus or deficit**

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

### **Impairment**

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

### **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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes 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	Period ended June 2025
	KShs
NGCDFB Transfers (Allocation for the FY)	170,469,857
<b>TOTAL</b>	<b>170,469,857</b>

7. Transfers from domestic and foreign partners

Description	Period ended June 2025
	KShs
Grants	-
<b>Total</b>	<b>-</b>

8. Finance income

Description	Period ended June 2025
	KShs
Interest Income on Bank Deposits	-
<b>Total</b>	<b>-</b>

9. Miscellaneous income

Description	Period ended June 2025
	KShs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere ( <i>specify</i> )	-
<b>Total</b>	<b>-</b>

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10. Employees cost

Description	Period ended June 2025 Kshs
NG-CDFC Basic staff salaries	3,758,056
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	750,828
Employer Contributions Compulsory national social security schemes	209,129
Employer Contributions Compulsory Housing levy	55,452
Employer contributions to National Industrial Training Authority	5,400
Other Specify	174,750
<b>Total</b>	<b>4,953,615</b>

11. Committee Expenses

Description	Period ended June 2025 Kshs
Sitting allowance	513,492
Other Committee expenses	7,646,910
<b>Total</b>	<b>8,160,402</b>

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12. Use of Goods and services

Description	Period ended June 2025 Kshs
Utilities, supplies and services	70,227
Communication, supplies and services	99,450
Domestic travel and subsistence	1,222,000
Hire of Produced Assets	1,907,000
Printing, advertising and information supplies & services	110,000
Office Rent	-
Training expenses	1,083,000
Hospitality supplies and services	1,683,708
Insurance costs	-
Specialized materials and services	90,000
Office and general supplies and services	1,827,720
Fuel, oil & lubricants	-
Bank Charges	35,395
Routine maintenance – vehicles and other transport equipment	188,605
Routine maintenance – other assets	1,309,140
Strategic plan expenses	1,495,000
Other operating expenses	-
<b>Total</b>	<b>11,121,245</b>

13. Other Government Units Actual expenditure

Description	Period ended June 2025 Kshs
Primary Schools Actual expenditure	114,082,966
Secondary Schools Actual Expenditure	4,626,282
Tertiary Institutions Actual Expenditure	2,500,876
<b>Total</b>	<b>121,210,123</b>

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**14. Other Grants and transfers Actual expenditure**

Description	Period ended June 2025 KShs
Bursary – secondary schools	32,290,886
Bursary – tertiary institutions	8,928,000
Bursary – special schools	946,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	6,824
Climate change mitigation projects	-
Emergency projects Actual Expenditure	11,432,911
Roads projects	-
Others specify	11,496
<b>Total</b>	<b>53,616,117</b>

**15. Depreciation and Amortization Expenses**

Description	Period ended June 2025 KShs
Property Plant and Equipment	23,875
Intangible Assets	-
<b>Total</b>	<b>23,875</b>

**16. Digital Hubs Expenses**

Description	Period ended June 2025 KShs
Construction/ renovation/Actual Expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others ( <i>specify</i> )	-
<b>Total</b>	<b>-</b>

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**17. Gain/loss on Sale of Assets**

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

**18. Impairment Loss**

Description	Period ended June 2025 KShs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Impairment Loss</b>	<b>-</b>

**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	Period ended June 2025 Kshs	Opening Statement 1st July 2024 Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank, Account No. 0500279859138 (Operations account)</i>	2,604,247	7,340,389
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Equity Bank, account No. 0500285390729 (Deposit account)</i>	2,330,089	1,579,261
<i>PMC's Accounts (Annex II)</i>	49,762,535	67,663,973
<b>Total</b>	<b>54,696,871</b>	<b>76,583,624</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*[Provide Cash Count Certificates for Each]*

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

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20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

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

21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement 1st July 2025	
	Kshs		Kshs	
Transfers from NGCDFB		42,169,857		46,676,289
Outstanding imprest		-		-
<b>Total</b>		<b>42,169,857</b>		<b>46,676,289</b>

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i. Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1 <sup>st</sup> July 2025	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	39,969,857	95%	46,676,288	-
Between 1- 2 years	2,200,000	5%	-	-
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total (a+b)</b>	<b>42,169,857</b>	<b>100%</b>	<b>46,676,288</b>	<b>0%</b>

22. Prepayments

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

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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%	25%	20%	12.5%	30%			
Cost	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
Opening Bal as 1 <sup>st</sup> July 2025	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	191,000	-	-	-	191,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
<b>As At June Sep/Dec/Mar/Jun 2025</b>	-	-	-	-	191,000	-	-	-	191,000
<b>Depreciation And Impairment</b>									
Opening balance accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	23,875	-	-	-	23,875
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
<b>As At June Sep/Dec/Mar/Jun 2025</b>	-	-	-	-	23,875	-	-	-	23,875
<b>Net Book Values</b>									
Opening Bal as at 1 <sup>st</sup> July 2025	-	-	-	-	-	-	-	-	-
<b>As At June, 2025</b>	-	-	-	-	167,125	-	-	-	167,125

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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 30<sup>th</sup> 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	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	-	-	-

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

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

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**24. Intangible Assets**

Description	Period ended June 2025 Kshs	Opening Statement 1st July 2024 Kshs
<b>Cost</b>		
Opening balance at the beginning of the Period	-	-
Additions	-	-
Disposal	-	-
<b>At end of the Period</b>	-	-
Additions–internal development	-	-
Disposal	-	-
<b>At end of the Period</b>	-	-
<b>Amortization and impairment</b>		
At beginning of the Period	-	-
Amortization	-	-
<b>At end of the Period</b>	-	-
Impairment loss	-	-
<b>At end of the Period</b>	-	-
<b>NBV</b>	-	-

**25. Right-of use assets**

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

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**26. Trade and Other Payables**

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

**27. Third-Party deposits**

Description	Period ended June 2025 Kshs	Opening Statement 1st July 2024 Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	2,150,234	-
Retention paid during the period (C)	511,602	-
<b>Closing Retention as at period 30<sup>th</sup> June, D= A+B-C</b>	<b>1,638,632</b>	<b>-</b>

**Retentions aging analysis.**

	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	1,638,632	100%	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>1,638,632</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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28. Lease Liabilities

Description	Period ended	Opening
	June 2025	Statement
	KShs	1st July 2024
		KShs
Balance at the beginning of the period	-	-
Discount interest on lease liability	-	-
Paid during the period	-	-
At end of the period	-	-

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	Period ended	Opening
	June 2025	Statement
	KShs	1st July 2024
		KShs
Gratuity at the beginning of the period (A)	1,579,261	-
Gratuity held during the period (B)	750,828	1,579,261
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period 30 June, 2025 D=(A+B-C)	2,330,089	1,579,261

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**30. Cash Generated from Operations**

Description	Period ended June 2025 Kshs
Surplus for the period before tax	(28,615,520)
<b>Adjusted for:</b>	
Depreciation	23,875
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Changes in inventory	-
Changes in receivables	4,506,432
Changes in deferred income	-
Changes in Third party deposits	1,638,632
Changes in gratuity provision	750,828
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>(21,695,753)</b>

### **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:

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Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (2024/25)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	46,676,289	46,676,289	-	-
Bank balances	76,583,624	76,583,624	-	-
<b>Total</b>	<b>123,259,913</b>	<b>123,259,913</b>	-	-
<b>As at 30 June (2023/24)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	42,169,857	42,169,857	-	-
Bank balances	54,696,871	54,696,871	-	-
<b>Total</b>	<b>96,866,728</b>	<b>96,866,728</b>	-	-

### 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. 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

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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
<b>As at 30<sup>th</sup> June (2024/25)</b>				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Retention Provisions	-		1638632	1638632
Deferred income	-	-	-	-
Gratuity Provision	-	-	2,330,089	2,330,089
<b>Total</b>	-	-	<b>3,968,721</b>	<b>3,968,721</b>
<b>As at 30<sup>th</sup> June (2023/24)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Gratuity Provisions	-	-	1,579,261	1,579,261
Retention provision	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>1,579,261</b>	<b>1,579,261</b>

**iii) Market risk**

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

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There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

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

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**Current FY**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June (FY 2024/25)			
<b>Financial Assets</b>	N/A	N/A	N/A
Investments	N/A	N/A	N/A
Cash	N/A	N/A	N/A
Debtors	N/A	N/A	N/A
<b>Total Financial Assets</b>	N/A	N/A	N/A
<b>Financial Liabilities</b>			
Trade And Other Payables	N/A	N/A	N/A
Borrowings	N/A	N/A	N/A
<b>Total Financial Liabilities</b>	N/A	N/A	N/A
<b>Net Foreign Currency Asset/(Liability)</b>	N/A	N/A	N/A

**Foreign currency sensitivity analysis**

**Current FY**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June (FY 2024/25)			
<b>Financial Assets</b>	N/A	N/A	N/A
Investments	N/A	N/A	N/A
Cash	N/A	N/A	N/A
Debtors	N/A	N/A	N/A
<b>Total Financial Assets</b>	N/A	N/A	N/A
<b>Financial Liabilities</b>	N/A	N/A	N/A
Trade And Other Payables	N/A	N/A	N/A
Borrowings	N/A	N/A	N/A
<b>Total Financial Liabilities</b>	N/A	N/A	N/A
<b>Net Foreign Currency Asset/(Liability)</b>	N/A	N/A	N/A

**Financial Risk Management**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>FY 2024/25</b>			
Euro	N/A	N/A	N/A
USD	N/A	N/A	N/A
<b>FY 2023/24</b>			
Euro	N/A	N/A	N/A
USD	N/A	N/A	N/A

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**Fair value of financial assets and liabilities**

a) Financial instruments measured at fair value.

**Determination of fair value and fair values hierarchy**

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

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

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June (FY 2024/25)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	N/A	N/A	N/A	N/A
<b>Non- Financial Assets</b>				
Investment Property	N/A	N/A	N/A	N/A
Land And Buildings	N/A	N/A	N/A	N/A
<b>Total</b>	N/A	N/A	N/A	N/A
<b>As at 30<sup>th</sup> June (FY 2023/24)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	N/A	N/A	N/A	N/A
<b>Non- Financial Assets</b>				

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Investment Property	N/A	N/A	N/A	N/A
Land And Buildings	N/A	N/A	N/A	N/A
<b>Total</b>	N/A	N/A	N/A	N/A

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 1<sup>st</sup> July 2025</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	93,065,132	121,680,652
Capital Reserve	-	-
<b>Total Funds</b>	93,065,132	121,680,652
Total Borrowings	-	-
Less: Cash and Bank Balances	(54,696,871)	(76,583,624)
Net Debt/(Excess Cash And Cash Equivalents)	38,368,261	45,097,028
<b>Gearing</b>	<b>31%</b>	<b>37%</b>

32. Related Party Disclosures

	FY 2024/25	Opening Statement 1 <sup>st</sup> July 2025
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	8,160,402	-
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	174,976,289	-
<b>Total</b>	<b>183,136,691</b>	<b>-</b>

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 <sup>st</sup> July 2025
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	N/A	N/A
Assets Arising from Determination Of Court Cases	N/A	N/A
Reimbursable Indemnities and Guarantees	N/A	N/A
Receivables From Other Government Entities	N/A	N/A
Others (Specify)	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

*(Give details)*

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**Contingent Liabilities**

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

**35. Capital Commitments**

Capital Commitments	FY 2024/25	<i>Opening Statement 1<sup>st</sup> July 2025</i>
	Kshs	Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
<b>Total</b>	-	-

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

**38. Currency**

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost (Kshs) At Year/period End
Land	300,000	-	-	300,000
Buildings and structures	5,000,000	-	-	5,000,000
Transport equipment	5,306,500	-	-	5,306,500
Office equipment, furniture and fittings	2,677,618	191,000	-	2,868,618
ICT Equipment, Software and Other ICT Assets	1,759,900	-	-	1,759,900
Other Machinery and Equipment	440,380	-	-	440,380
Heritage and cultural assets	15,384,398	-	-	15,384,398
Intangible assets	300,000	-	-	300,000
<b>Total</b>	<b>31,168,796</b>	<b>191,000</b>	<b>-</b>	<b>31,359,796</b>

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**Annex 2 –PMC Bank Balances As At 30<sup>th</sup> June 2025**

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
Bugute Primary School	Coop Bank	01139166636902	-	1,087
Bushiangala Primary School	Coop Bank	01139167463600	4,120,945	3,003,821
Bushirika Primary School	Coop Bank	01139632905100	2,968	2,968
Busilwa Primary School	Coop Bank	01139166147700	-	1,782
Ibuka Primary School	Coop Bank	01139165864300	770	770
Ibuyonje Primary School	Coop Bank	01141632874000	2,930	3,050
Ibwali Primary School	Coop Bank	01139632685700	-	361
Iguhu Primary School	Coop Bank	01139166940801	-	100
Iguyio Primary School	Coop Bank	01139165710401	-	28,064
Iluya Primary School	Coop Bank	01139165710402	490,675	3,155,227
Imalaba Primary School	Coop Bank	01139165651800	-	3,625
Imbale Primary School	Coop Bank	01139033603400	486,179	3,013,983
Imulama Primary School	Coop Bank	01141167794600	1,246,296	584,991
Irechelo Primary School	Coop Bank	01139165784802	-	909
Iremele Primary School	Coop Bank	01139166445800	5,753,602	3,307,921
Ishianji Primary School	Coop Bank	01139166149102	293	35,413
Ishieywe Primary School	Coop Bank	01141165613800	2,073,333	3,098,953
Itulubini Primary School	Coop Bank	01139166445300	-	66,940
Ivole Primary School	Coop Bank	01139166940200	-	4,384
Ivonda Primary School	Coop Bank	01139165838300	773,913	1,499,230
Kasavayi Primary School	Coop Bank	01141166149200	8,183	8,303
Lusiola Primary School	Coop Bank	01139166445500	1,848	421,968
Lusui Primary School	Coop Bank	01139165623301	2,165,501	3,000,267
Lwanaswa Primary School	Coop Bank	01139165613000	-	543
Milimani Primary School	Coop Bank	01139166636802	-	2,044

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PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
Mumbetsa Primary School	Coop Bank	01141098419100	-	-
Musasa Primary School	Coop Bank	01139167305100	-	3,691
Naliava Primary School	Coop Bank	01139166941600	1,324,293	1,337,613
Shiavihiga Primary School	Coop Bank	01139167482700	-	15,730
Shiduha Primary School	Coop Bank	01139166940701	3,055	75,740
Shihalia Primary School	Coop Bank	01139166941400	-	1,648
Shijiko Primary School	Coop Bank	01139166941500	-	2,638
Shikokho Primary School	Coop Bank	01139166963000	-	179
Shinyikha Primary School	Coop Bank	01139165614301	-	427
Shirumba Primary School	Coop Bank	01139166445900	1,909,862	3,000,972
Shiseno Primary School	Coop Bank	01139165864200	-	1,597
Shitoli Primary School	Coop Bank	01139165613900	-	6,408
Shiveye Primary School	Coop Bank	01139167810301	3,489,886	3,554,490
St. Claire's Musoli Girls Boarding Pry School	Coop Bank	01139166104400	-	35,197
Musoli Mixed Primary School	Equity Bank	0500278940019	4,197	4,197
Burendwa Primary School	KCB	1271024330	4,982	6,512
Iluya Primary School	KCB	1106949811	1,192	1,192
Imulembo Primary School	KCB	1109452772	11,766	11,892
Imusali Primary School	KCB	1287029205	2,491,035	2,803,825
Kaluni Primary School	KCB	1266243895	6,001	7,657
Kimingini Primary School	KCB	1271025574	2,523,555	3,922,235
Lirhembe Primary School	KCB	1172709238	26,222	26,474
Madivini Primary School	KCB	1106960017	49,412	250,444
Makhokho Primary School	KCB	1271025299	615,020	1,255,810
Malinya Primary School	KCB	1111627223	58,603	25,602
Malinya Primary School 2	KCB	1271025434	960	960

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PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
Matundu Primary School	KCB	1101835796	1,000	953,483
Mukoyani Primary School	KCB	1273405080	103	515,928
Munyanza Primary School	KCB	1101836555	52,516	52,516
Mwikhomo Primary school	KCB	1267746106	35,505	6,853,091
Shianjetso Primary School	KCB	1271025108	2,043,292	3,080,580
Shianjetso Primary School 2	KCB	1316038084	633	885
Shichinji Primary School	KCB	1289409293	8,375	8,375
Shikhombelo Primary School	KCB	1112052747	251,489	733,972
Shikumu Primary School	KCB	1271024845	2,937,372	2,449,395
Shimanyiro Primary School	KCB	1183075197	908	908
Shitechia Primary School	KCB	1285623754	1,985,368	4,091,319
Shivagala Primary School	KCB	1284103668	749	749
St. Angela Eregi Boarding Primary School	KCB	1272134830	147,333	1,257,392
Isulu Primary School	Equity Bank	0500284437282	600,521	3,000,840
Lubambo Primary School	Equity Bank	0960286593584	3,000,000	-
Ichina Primary School	Equity Bank	0500286629288	3,000,000	-
Shisele Primary School	Coop Bank	01108070335001	3,000,000	-
Imbale Secondary School	Coop Bank	01139545707600	-	1,778
Shivagala Secondary School	KCB	1133467946	61	439
Ivonda Secondary School	Coop Bank	01139631903101	-	17,375
Lirhembe Friends Secondary School	Coop Bank	01139167913801	-	5,341
Lirhembe Girls Secondary School	Coop Bank	01139165613201	-	4,089
Lusui Secondary School	Coop Bank	01139167319600	-	10,090
Makhokho Secondary School	Coop Bank	01139167794701	-	2,330
Mutaho Girls Secondary School	Coop Bank	01139631900300	-	23,904
Shiduha Secondary School	Coop Bank	01139166940000	-	1,666

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PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
Shikokho Secondary School	Coop Bank	01139632420100	-	93
Shiveye Secondary School	Coop Bank	01141632536800	-	415
St. Annes Musoli Girls Secondary School	Coop Bank	01139166460200	204,039	2,139,036
St. Bonaventure Shimanyiro Secondary School	Coop Bank	01139631904100	1,414	594,534
St. Francis Sabane Secondary School	Coop Bank	01139632679201	141,465	157,185
St. Joseph Shichinji Secondary School	Coop Bank	01139166956700	-	5,146
Bushiangala Secondary School	KCB	1284393410	3,209	3,209
Iremele Secondary School	KCB	1261771559	56,282	56,282
Shiamusinjili Secondary School	Coop Bank	01139166940600	-	9,840
KMTC Ikolomani Campus	Equity Bank	0500278876248	973,725	3,470,515
Bushiangala Technical Training Institute	KCB	1101707453	190,014	194,100
Eregi Police station	Coop Bank	01141632676200	8,740	8,740
Lusui Police Station	Coop Bank	01141804286000	-	295
Ikolomani North ACC's Office	Equity Bank	0500282146241	11,227	11,227
Iguhu Police Station	KCB	1275681565	3,369	4,899
Imulama Police Post	KCB	1280169567	14,392	14,392
Kakamega South DCC's Headquarters	KCB	1277505969	298,693	300,475
Lwanaswa Police Post	KCB	1274816378	12,604	12,604
Imalaba Police Post	Coop Bank	01141246380600	-	3,093
Isulu Police Station	Coop Bank	01141632693100	-	124
Shikondi Primary School	KCB	1331298865	29,305	-
Busilwa Primary School	KCB	1330818571	58,653	-
Matundu Primary School	KCB	1330801156	2,103	-
Eregi Mixed Primary School	Equity Bank	0500285749161	133	-
Shitechia Primary School	KCB	1331987164	1,028	-
Malinya AP Camp	Equity Bank	0500286113868	149,777	-

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PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
Mutaho Primary School	Equity Bank	0500286258711	81,981	-
Ibuka Primary	Equity Bank	0500286313470	108,685	-
Shirandalo Primary School	Equity Bank	0500286404083	153,530	-
Shiduha Secondary	Equity Bank	0500286184515	158,348	-
Kakamega South Sub County Education Office	Equity Bank	0500286493363	117,102	-
St Cecilia Ichina Primary School	Equity Bank	0500286259710	135,676	-
Musoli mixed Primary	KCB	1340353164	134,342	-
Ikolomani Constituency Sports Organisation	Coop Bank	01134631234000	-	11,331
Shisele Market	Coop Bank	01134165488600	-	165
<b>Total</b>			<b>49,762,535</b>	<b>67,663,973</b>

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Budget Control and Performance</b>                      The Summary statement of appropriation reflects receipts budget and actual on comparable basis amounting to KShs 235,110,560 and KShs 188,434,271 respectively, resulting to under-funding of KShs 46,676,289 or 20% of the budget. Similarly, the fund expended KShs 181,093,882 against approved budget of KShs 235,110,560, resulting to under-expenditure of KShs 54,016,678 or 23% of the budget.</p>	<p><b>Management Response</b>                      Management acknowledges the underfunding and underperformance. It is important to note that the delay in disbursement of funds by the exchequer significantly affected our operational capabilities during the financial year under review. Despite our efforts to mitigate the impact of this delay, it unavoidably led to the underperformance observed in our budgetary execution. We would like to emphasize that once the funds were disbursed in the subsequent financial year, specifically in early July 2024, we promptly disbursed them to the respective projects for implementation.</p>	<p>Not Resolved</p>	<p>December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.2	<p><b>Unresolved Prior Year Matters</b> As disclosed under the progress on follow up of auditor's recommendations section of the financial statements, some of the prior year audit issues remains unresolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the issues.</p>	<p>Management acknowledges the unresolved prior-year audit matters and attributes the delays to the complexity of certain issues requiring multi-stakeholder involvement and external consultations. To address this, a detailed action plan with assigned responsibilities and timelines has been developed, alongside regular progress monitoring to ensure timely resolution. Management remains committed to resolving all outstanding matters, providing updates to the audit office, and preventing future recurrences through improved compliance and proactive measures.</p>	Not Resolved	December 2025
2.1	<p><b>Presentation of Annual Report</b> Review of annual report for fund revealed the following anomalies;</p>	<p>1. The dates on which the statements on receipts and payments and statement of Assets and Liabilities were</p>	Not Resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>i) The dates on which the statements on receipts and payments and statement of Assets and Liabilities were approved by the Board have not been disclosed.</p> <p>ii) The statement of performance against predetermined objectives refers to development objectives of NGCDF – Ikolomani Constituency’s strategic plan for the expired period of 2018-2022.</p> <p>iii) The Chairman’s report has not been dated.</p> <p>In this circumstance the annual report does not comply with the public Finance Management Act, 2012.</p>	<p>approved by the Board have been disclosed.</p> <p>2. The management acknowledges the error in stating the current Ikolomani Constituency strategic plan period and it has been rectified.</p> <p>3. The Chairman’s Report has been dated.</p>		
2.2	<p><b>Payment for Stalled Building at Bushiangala Primary School</b></p> <p>Note 7 to the financial statements in respect to transfers to other government units amounting to Kshs 114,020,000 indicates Kshs. 85,090,000</p>	<p>Regarding the procurement dates, its worth noting that of the Kshs. 5,000,000 disbursed to the project, KShs. 2,000,000 was allocated in FY 2022/2023 and Kshs.</p>	Not Resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>for transfers to primary schools, the transfer includes a payment of Kshs. 5,000,000 to Bushiangala Primary School for the construction of a storey building accommodating 8 classrooms up to ground floor slab level , however the tendering process was carried out in the months of July and August 2021, which is way before the approval for the project was made.</p> <p>Physical verification carried out on 11 December 2024 revealed the completion of foundation works erecting of columns and walling on the ground floor. However, the contractor had abandoned the works. Further the project Management Committee (PMC) bank statement indicates a balance of 10,000as per 30<sup>th</sup> June 2024.</p> <p>In the circumstances the value for money for payment of Kshs. 5,000,000 is doubtful</p>	<p>3,000,000 in FY 2023/2024. However, an earlier allocation of KShs. 1,000,000 in FY 2021/2022 enabled the PMC to initiate the procurement process.</p> <p>Concerning the stalled project, we acknowledge the challenges encountered with the contractor. Management is actively engaged in discussions with the contractor to explore all available options for resolving the impasse and ensuring the timely and successful completion of the project.</p>		
3.3	Payments for Incomplete Works	The payment of Kshs. 2,861,564, all payments made	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Note 7 to the Financial statements in respect to transfers to other government units amounting to Kshs. 114,020,000 indicate kShs. 12,790,000 for transfer to secondary schools. The transfer Included a payment of Kshs. 3,000,000 to St Annes Musoli Girls for the construction to completion of an ICT room, library and one class. The physical verification conducted in December 2024 revealed that walling and roofing had been done however the windows and doors being fixed, plastering and painting and terrazzo finishes which were provided in the Bills of Quantity had not been done despite the use of funds since the PMC bank statements indicate a balance of Kshs. 138,436as at 30<sup>th</sup> June 2024. Further the construction works on the upper floor of an existing building which was in use was not secured by contractor compromising the safety of the users of the building.</p> <p>In the circumstances, value for money may not have been achieved in respect of this project.</p>	<p>to the contractor were based on work completed as per the approved Bill of Quantities (BoQ) and supported by valid payment certificates issued by the Project Manager.</p> <p>The outstanding works, the contractor has been instructed to immediately rectify the outstanding works, including the installation of windows, doors, plastering, painting, and terrazzo finishes. Furthermore, the contractor has been directed to implement measures to effectively divert rainwater away from the existing building to prevent any structural damage. The installation of appropriate safety measures, such as guard grills, will also be ensured.</p>		

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3.4	<p><b>Unsupported Payment for Strategic Plan</b>                      The statement of receipts and payment and as disclosed in note 10 reflects a balance of Kshs. 2000,000 being other payments. This expenditure was in relation to strategic plan. However, there was no evidence provided on how the procurement process was undertaken and the strategic plan developed, if any, was also not provided for audit review. In the circumstances, the value for the money for payment of KShs 2,000,000 is doubtful.</p>	<p>Regarding development of the Strategic Plan, the consultant has submitted a draft of the strategic plan, which has been reviewed and approved at the NGCDFC level. The approved draft has been submitted to the NGCDF Board Headquarters for their input and finalization.</p>	Not Resolved	December 2025
3.5	<p><b>Failure to Report Emergency Projects</b>                      The statement of receipts and payments reflects other grants and transfers amounting to KShs 44,191,6022 which as disclosed in Note 8 to the financial statements include KShs 5,130,000for emergency projects. The projects include payments amounting to KShs 3,500,000 which were not reported to the Board within thirty days as per the requirements of the Regulations. Further, the procurement process to identify contractors was not provided for audit review.</p>	<p>The reporting to the NGCDF Board the management reports on the utilization of the emergency reserve to the Board on a quarterly basis. A copy of the emergency report, along with the minuted resolution adopting the report, was submitted to the NGCDF Board Headquarters through the Western Regional Coordinator, as per the established procedures.</p>	Not Resolved	December 2025

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		Regarding the implementation of emergency projects, the delay was primarily due to the late submission of required documents by some Project Management Committees (PMCs). However, the management has since obtained all necessary documentation, including minutes of the PMC meetings authorizing payments, procurement records, and progress reports.		
3.6	<p><b>Kenya Medical Training College (KMTTC) Ikolomani</b></p> <p>Note 7 to the Financial statement reflects transfer to other Government units amount of Kshs. 114,020,000 which indicates transfers to tertiary institutions of Kshs. 10,400,000 for construction to completion of lecture rooms entailing roofing, plastering and painting terrazzo floors electrical works and ceiling fixing. However physical verification on 11 December 2024 revealed that unfinished electrical works leaking roofs incomplete</p>	Concerning the construction of lecture rooms, the identified deficiencies in the construction work, including issues with electrical work, painting, and roof leaks, are being addressed. The contractor has been instructed to rectify all defects to the required standards before the release of the retention money. The temporary electrical connection was	Not Resolved	December 2025

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	<p>painting exteriors of walls and unguarded building where members of the public held meetings and even connected electricity from the neighboring house. The electricity wires hanging loosely on the tree thus risking their lives and that of the building which was under construction. The contractor was not on site.</p> <p>In the circumstances, the value for money for payment of KShs 10,4000,000 is doubtful.</p>	<p>solely for the purpose of testing the installed fittings and wiring during the construction phase. The contractor will resume work after the holiday season and will implement appropriate security measures to prevent unauthorized access and safeguard the facility.</p>		
4.1	<p><b>Unfair Distribution of Bursary Resources</b></p> <p>Note 8 to the financial statements reflects other grants and other transfers amounting to Kshs. 44,191,602 which indicates bursary to secondary schools, tertiary schools and special schools of KShs 26,235,262, KShs 7,085,340, and KShs 854,000 respectively. However, the general ledger revealed that bursaries were awarded ranging from a low of KShs 1,500 to a high of KShs 48,950, and the criteria for identifying the beneficiaries and for awarding the bursary amounts were not provided for</p>	<p>The Ikolomani NGCDFC has established and approved a bursary allocation criterion that prioritizes vulnerable and needy students within the constituency. These criteria are consistently applied during the bursary allocation process. It is important to note that the annual demand for bursary assistance significantly exceeds available resources. In the financial year under review, approximately 9,000 eligible students applied for bursaries,</p>	Not Resolved	December 2025

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	<p>audit review. Further, there did not exist a bursary sub-committee as provided by the law.</p>	<p>while the allocated budget was limited.</p> <p>Regarding the range of bursary awards the variation in bursary amounts reflects the diverse needs of the student population. The lowest award of Kshs. 1,500 was allocated to students attending day primary schools in special needs institutions, where the total annual fees are approximately Kshs. 5,000. This contribution provides significant support towards their daily needs, as the government typically covers a portion of their tuition fees. The highest award of Kshs. 48,950 was granted to students who qualified for scholarships in boarding secondary schools. This amount was allocated to cover a portion of their boarding and tuition expenses. Approximately 100</p>		

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		students received this level of support.		

Tom Oriwa Ageng'a  
Fund Account Manager.  
Ikolomani Constituency

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