

REPUBLIC OF KENYA



REPORT

 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-TABLE:	Lomale

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
NAKURU TOWN WEST CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

NAKURU TOWN WEST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Nakuru Town West Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Faith Kathambi
2.	National Sub-County Accountant	Rahab Mathu
3.	Chairman NGCDFC	Wilfred Omariba
4.	Member NGCDFC	Douglas Sengera
5.	Member NG CDFC	Jane Alfonzo

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NG-CDF Board provides overall fiduciary oversight on the activities of the NG-CDF Nakuru Town West Constituency. The reports and recommendations of the Audit Committee, when adopted by the NG-CDF 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 Nakuru Town West Constituency Headquarters

Githima Street
Eveready Githima Road
Nakuru, Kenya.

(e) NGCDF Nakuru Town West Constituency Contacts

P.O. Box 16051-20100
Telephone: (254)724445840
E-mail: cdnakurutownwest@ngcdf.go.ke
Website: <https://nakurutown-west.ngcdf.go.ke>

(f) NGCDF Nakuru Town West Constituency Bankers

Family Bank
Nakuru Finance Branch
P.O Box 519-20100
Nakuru.

(g) Independent Auditor

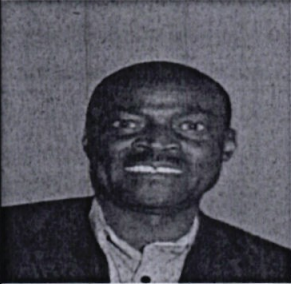




Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser




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

*National Government Constituencies Development Fund (NGCDF)
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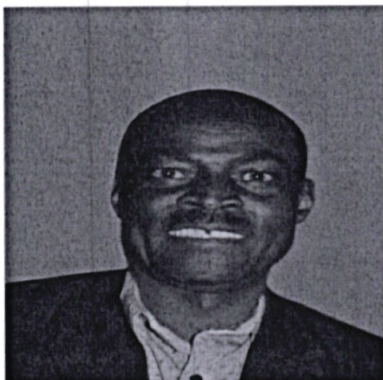
3. NGCDF Committee

Name	Details
 Chairperson Wilfred Omariba Nyakundi	Date of birth-9/9/1969 O-Level certificate, Electronic Technician certificate, Diploma Electronic Technician stage one and two. An entrepreneur.
 Phoebe Wangui- Female adult representative	Date of birth 3/5/1981 Kcse certificate Business woman
 Douglas Sengera- Male Adult representative	Date of Birth1/2/1958 O-level certificate Certificate in Trade Certificate An entrepreneur
 Patrick Maina Chege Co opted Member	Date of birth-10/12/1976 KCSE certificate Certificate in hairdressing Certificate in weaving and spinning An entrepreneur
 Kevin Ondongo Male youth representative	Date of birth 7/11/1989 Kcse certificate

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	<p>Date of birth 01/01/1973 KCSE certificate Businessman</p>
<p>Felix Kipkurui Male adult representative</p>	<p>Date of birth 28/02/1984 KCSE certificate Entrepreneur</p>
	<p>Date of birth 27/7/1991 Kcse certificate Student</p>
<p>Jane Wambui- Female adult representative</p>	<p>Date of birth 8/8/1990 Bachelors of commerce(finance)</p>
	<p>Date of birth 27/11/1982 Bachelor of commerce(finance) Masters of arts in project planning and management Ongoing PhD in project planning and management</p>
<p>Faith Nyarangi Kisali Female youth representative</p>	<p>Grace Nginda Dcc rep</p>
	<p>Faith Kathambi Fund Account Manager</p>
<p>Grace Nginda Dcc rep</p>	

4. NG-CDFC Chairman's Report



Name: Wilfred Omariba Nyakundi
Chairman NG-CDF Committee

On behalf of the Nakuru Town West NG-CDFC, I would like to give an overview on the operations of our constituency under the financial year 2024/2025

The Nakuru Town West National Government Constituencies Development Fund in the Financial Year 2024/2025 was allocated ksh 188,414,052. We had a total fund receipt of Ksh 130, 000,000 from the NGCDF Board as at the close of the financial year 2024/2025

The budget performance for this financial year was not comparatively achieved as targeted due to late disbursement of funds from NG-CDFB. At the close of the financial year, all funds had not been received from NG-CDF Board, and one project had not been approved.

At the close of the Financial Year, not all of the projects allocated funds were completed due to the delay in funds receipt from NG-CDF Board.

NG-CDF has become the backbone in education and Security sector in our constituency.

NG-CDF has also aided in providing good learning environment by assisting in the construction, furnishing and rehabilitation of classrooms. To improve service delivery, the NG-CDFC have allocated funds for constituency.

All the projects funded in the FY 2024/2025 were allocated funds to full completion except construction of NG-CDFC Offices which will be funded to completion in the subsequent financial year. However funds disbursement delay has delayed implementation of some funded projects to completion as at the close of the Financial Year.

*National Government Constituencies Development Fund (NGCDF)
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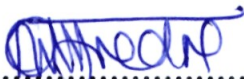
Table of budget performance against actual amounts

NO.	SECTOR	AMOUNT ALLOCATED	ACTUAL PAYMENT
1.	EDUCATION	74,360,000	61,025,857
2.	BURSARY	75,365,621	78,974,623
3.	ENVIRONMENT	942,070	20,000

During the financial year under review, NG-CDFC took the issue of NG-CDFC Office construction to help safeguard properties and convicts within the station.

Other areas of key achievements are renovation of classrooms to improve students learning environment which has a bigger impact in learning due through creating more learning spaces, helping the government meet the required standard

At the time of the close of the financial year, all the projects allocated funds had not received funds from NG-CDF Board and most of the projects were ongoing. The on-going projects were being implemented well at a good pace.



.....
Name: Wilfred Omariba
Chairman NGCDF Committee

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

Introduction

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

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 enhance accessibility to quality education for all by improve the learning environment through quality school infrastructure and bursaries for better performance.	Increased enrolment in primary schools and tertiary institutions. Better grades leading to improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary, secondary and tertiary institutions, number of schools and students. % increase in the number of students joining secondary schools and tertiary institutions.	In the financial year 2024-2025 Nakuru Town West constituency did construct 22 new classrooms and 4 renovations in secondary school. The number of students that benefited from bursary in the F/Y 2024-2025 was as follows: beneficiaries' students joining secondary schools.
Security	To support the creation of conducive environment that enhances peace, security, efficiency and effectiveness in public	Less crime in the area	Number of crimes reported, number of security projects completed.	In the financial year 2024-2025 Nakuru Town West constituency was able to allocate good amounts for construction of police post within the constituency.

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	administration			
Climate change mitigation activities	To support the creation of conducive environment that fresh air, water catchment and environmental conservation within the constituency at large	Increased trees plantation within schools and police stations within the area.	On climate related activities were able to plant more than 50,000 trees in the constituency through the environmental committee.	In the financial year 2024-2025 Nakuru Town West constituency was able to do 6 climate related activities in primary schools within the constituency.
Emergency	To support building of capacity and capability for timely response and management of disaster risks	Better built projects with a greater impact	Number of completed projects in use	In the F/Y 2024-2025 a number of projects was raised Projects done under primary schools, secondary schools and security areas, hence as a constituency we are looking forward to doing more in terms of secondary schools and security areas.

6. Governance Statement

Appointment of National Government Constituency Development Fund Committee

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each 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.
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.
- (8) 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.
- (9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

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(10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

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

a) The Process of Appointment

To facilitate this, the selection panel is invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited through advertisement publicized in churches, public offices notice boards and other public areas in the constituency.

Out of the total 15 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Nakuru Town West Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation
1.	Felix Kipkurui	Male (Adult)
2.	Kevin Odongo	Male (Youth)
3.	Jane Wambui	Female (Adult)
4.	Faith Kisali	Female (Youth)

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment
1.	Wilfred Omariba	Physical – Hand and feet impairment

Nominee of the constituency Office

S/N	Name	Category
1	Duoglas Sengera	Male representative
2	Phoebe Wangui	Female Representative

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

S/N	Name	Gender
1.	Patrick Maina Chege	Male

Those who qualified their names were sent to the board for approval, upon approval they were gazetted on 16th December 2022 and resumed office by holding their first meeting on 22nd December 2022.

During its first meeting, a Constituency Committee established two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittee are as follows:

- i. Bursary sub committee
- ii. Complaints resolution committee.

The chairperson and the secretary are members of both committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also coopted to be in the Bursary committee.

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

b) Removal of NG-CDFC Members

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

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

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

c) Roles and functions of the NG-CDFC Committee

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

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

d) Induction and training of Members

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

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e) Number of meetings held.

Nakuru Town West NG-CDFC held meetings as per the Act that requires members to hold at most 24 meetings. The members held 24 meeting, which can are supported by written minutes in the NG-CDFC minute file.

Committee meetings attendance register 2024/2025

No	Committee Member	July	august	September	October	November	December	January	feb	marc h	Apr il	ma y	Jun e
1	Wilfred Omariba	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
2	Jane Wambui	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
3	Phoebe Wangui	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
4	Faith Kisali	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
5	Felix Kipkurui	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
6	Kevin Odongo	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
7	Douglas Sengera	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
8	Patrick Maina Chege	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
9	Grace Nginda Dcc Rep	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓

f) Members' remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NG-CDFC members should adhere to general ethics and code of conduct as stipulated in the NG-CDF Act.

In this financial year, the NG-CDFC Nakuru Town West members adhered to the cabinet secretary is circular on members sitting and field allowances.

g) Disclose Policy on Conflict of Interest

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

h) Ethics & Conduct

Members of NG-CDFC are required to observe the following ethical issues

- i. Confidentiality the NG-CDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity NG-CDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership NG-CDFC members should promote leadership in the constituency.

During the financial year 2024/2025 members of NG-CDFC Nakuru Town West adhered to the stipulated ethical issues

7. Management Discussion and Analysis

The primary function of the NG-CDF funds is to facilitate grassroot development and reduce poverty by allocating funds to projects identified by the community from each ward. For the past 5 financial years NG-CDF Nakuru Town West has received a total of Ksh. 130,000,000 from the board.

I. Operational Performance

The major operations of the fund have been on bursaries for needy students both in secondary and tertiary institutions, primary and secondary schools infrastructure that is classes and washrooms, climate change and social security just to mention a few.

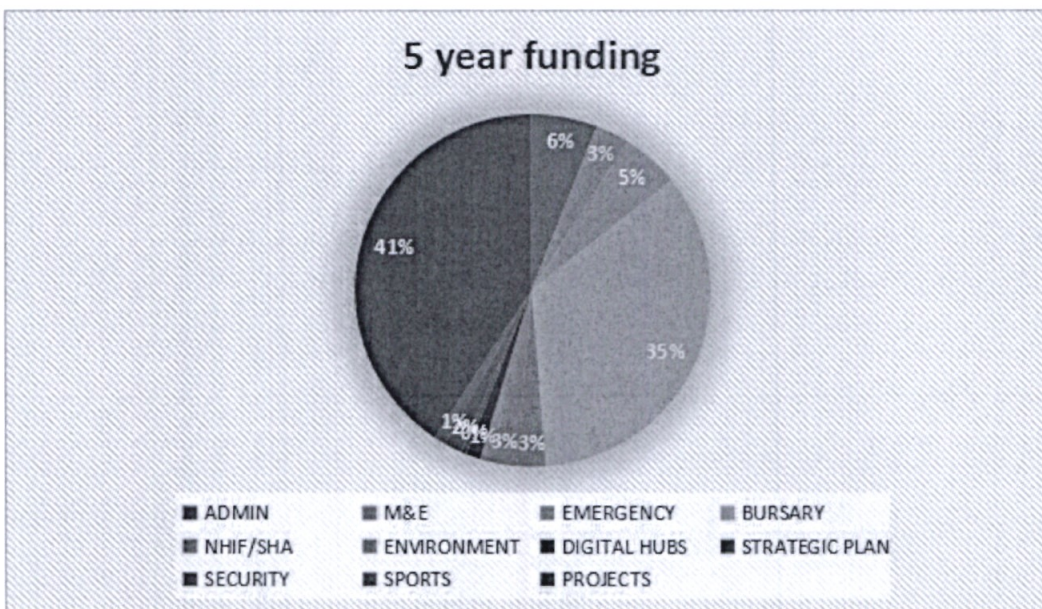
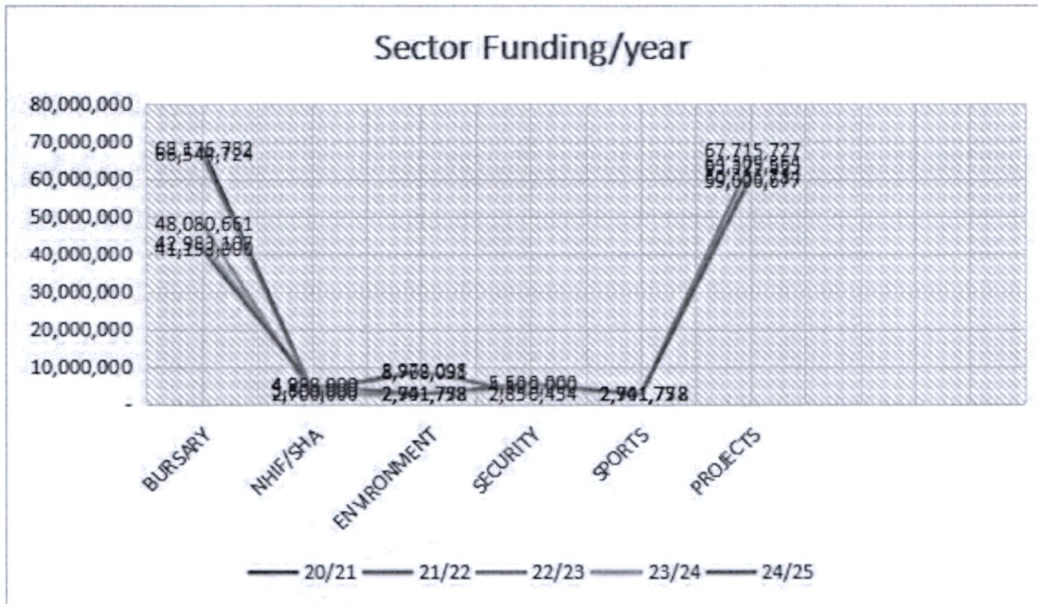
FY	24/25	23/24	22/23	21/22	20/21
ADMIN	10,766,517	10,521,709	8,705,256	8,225,333	8,225,333
M&E	5,383,259	5,260,854	4,352,628	4,100,000	4,100,000
EMERGENCY	9,444,313	9,229,569	7,636,190	7,192,207	7,192,207
BURSARY	68,176,782	66,544,724	48,080,661	42,983,107	41,153,000
NHIF/SHA	3,600,000	3,600,000	2,700,000	4,998,000	4,998,000
ENVIRONMENT	8,972,098	8,768,091	2,901,752	2,741,778	2,741,778
DIGITAL HUBS	5,383,259	5,260,854			
STRATEGIC PLAN			3,500,000		
SECURITY		2,850,454		4,500,000	5,500,000
SPORTS			2,901,752	2,741,778	2,741,778
PROJECTS	67,715,727	63,325,555	64,309,364	59,606,677	60,436,784
TOTAL	188,414,052	175,361,810	145,087,603	137,088,879	137,088,879

The table below show allocations per sector funding for the past 5 financial years. From these we can deduce that school projects and bursary has been the biggest beneficiaries of the funds. This has hence improved the learning conditions of students and increased the number of classes supporting the free primary education and the 100% transition from primary to secondary school.

Sector	5 year funding
ADMIN	46,444,148
M&E	23,196,741
EMERGENCY	40,694,486
BURSARY	266,938,274
NHIF/SHA	19,896,000
ENVIRONMENT	26,125,495
DIGITAL HUBS	10,644,113
STRATEGIC PLAN	3,500,000

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SECURITY	12,850,454
SPORTS	8,385,307
PROJECTS	315,394,108

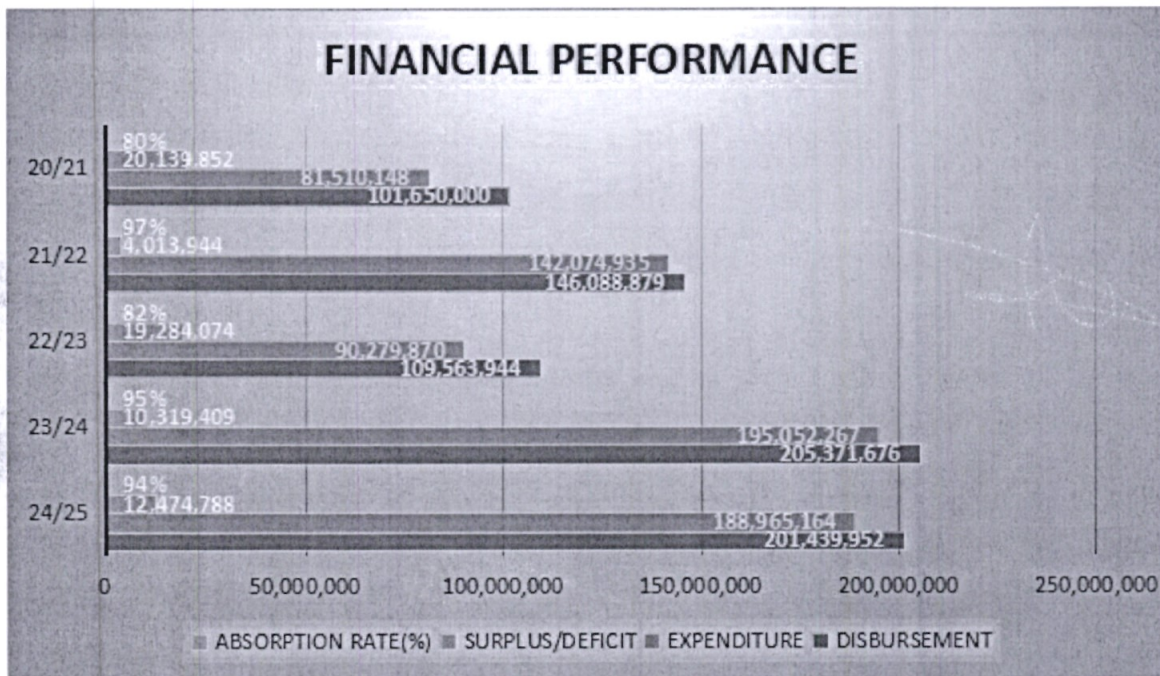


National Government Constituencies Development Fund (NGCDF)
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II. Financial Performance

The table below shows the financial performance of the fund for the past 5 financial years with their absorption rates. It is good to note that for each financial year the disbursements received from the board was used instead of the allocations per year.

FY	DISBURSEMNT	EXPENDITURE	SURPLUS/DEFICIT	ABSORPTN RATE(%)
24/25	201,439,952	188,965,164	12,474,788	94%
23/24	205,371,676	195,052,267	10,319,409	95%
22/23	109,563,944	90,279,870	19,284,074	82%
21/22	146,088,879	142,074,935	4,013,944	97%
20/21	101,650,000	81,510,148	20,139,852	80%



III. Key Projects

S.NO	PROJECT NAME	ACTIVITY	BUDGET	STATUS	COMPLETION (%)
1	Nakuru Town East offices	Construction to completion of NGCDF offices		Complete and in use	100%

IV. Statutory Compliance

FY	KRA	NSSF	NHIF/SHA
24/25	✓	✓	✓
23/24	✓	✓	✓
22/23	✓	✓	✓

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21/22	√	√	√
20/21	√	√	√

V. Risks

- a) Late disbursement of funds from the board
- b) Constitutional risk due to the legality of the NG-CDF funds.

VI. Material arrears

- a) The constituency has no income tax penalty.

VII. Future developments

- The fund under NGCDF Nakuru Town West has a plan of putting up a new primary school. This will reduce the distance the pupils from that estate travel to attend school.
- The fund also has a plan to either build and equip or equip digital hubs in all the five wards within the constituency.



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**Name: Faith Kathambi
Fund Account Manager**

8. Environmental and Sustainability Reporting

Nakuru Town West NG-CDF on environmental related activities for the year 2024-2025 embarked on climate related activities whereby we set a side kshs:942,070 on climate change related activities in the constituency. But as by end of financial year the code list had not bee

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Nakuru Town West 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

Nakuru Town West Environment Sustainability guidelines have been developed to: Ensure that the Nakuru Town West NG-CDF establishes systems of environmental impact assessment, environmental audit, monitoring and reporting of the environmental activities undertaken at the Constituency levels. Ensure that the Constituencies continue to priorities and improve environmental sustainability projects. Encourage Community participation in identification, protection and conservation of environment. Improve on planning and utilization of allocation for environmental sustainability funds in all constituencies. Ensure proper mechanisms of monitoring and reporting of the environmental activities

In this, Nakuru Town West NG-CDF has prioritized in supplying of water tanks and water harvesting in the constituency different Schools of which there is conservation of clean water to be used in schools. In Nakuru Town West, we have undertaken in construction of Assistant chiefs' offices, e.g. Kapkures with these security project there is enough security in the constituency which helps in the control of drug use and abuse.

3. Employee welfare

We invest in providing the best working environment for our employees. Nakuru Town West constituency recruitment is guided by Employment Act, NG-CDF 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. Nakuru Town West 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-

Nakuru Town West 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.

NG-CDF 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-

Nakuru Town West 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

Nakuru Town West 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.

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



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Name: Faith Kathambi
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 NG-CDF- Nakuru Town West 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- Nakuru Town West 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- Nakuru Town West 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.

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The Accounting Officer in charge of the NGCDF Nakuru Town West 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- Nakuru Town West Constituency financial statements were approved and signed by the Accounting Officer on _____ 2025.



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Name: Wilfred Omariba
Chairman – NGCDF Committee



.....
Name: Faith Kathambi
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Nakuru Town West Constituency set out on pages 1 to 62, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes of 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 - Nakuru Town West Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 and 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. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/Prepared in accordance with accrual basis of accounting method under International Public Sector Accounting Standards (IPSAS). This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Unsupported Prior Year Work-In-Progress

The statement of financial position reflects property, plant and equipment balance of Kshs.48,629,042 as disclosed in Note 23 to the financial statements. Included in the balance is work in progress and computer and ICT equipment opening balances as at 1 July, 2024 of Kshs.35,828,489 and Kshs.1,000,000, respectively. However, the opening balances were not supported with schedules for audit verification. Further, no documents were provided to confirm the status of the work was in progress as at 30 June, 2024.

In the circumstances, the accuracy, completeness and existence of work in progress and computer and ICT equipment balance of 36,828,489 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 - Nakuru Town West 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 final revenue budget and actual on a comparable basis of Kshs.279,282,693 and Kshs.220,868,640 respectively, resulting to under-funding of Kshs.58,414,052 or 21% of the budget. Further, the Fund spent an amount of Kshs.176,576,738 against actual receipts of Kshs.279,282,693, resulting to an under-utilization of Kshs.102,705,955 or 37% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter 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 prior year audit report, several issues were raised under the Report on the Financial Statements and Lawfulness and Effectiveness in the Use of Public Resources respectively. Review of the status during audit of the Fund in 2024/2025 revealed that the twenty-four (24) matters remained unresolved as at 30 June, 2025 as detailed below:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in Financial Statements
2	2023/2024	Unsupported Renovations of Classrooms
3	2023/2024	Failure to Report Emergency Expenses
4	2023/2024	Unsupported PMC Bank Accounts
5	2023/2024	Lack of an Updated Fixed Assets
6	2023/2024	Budgetary Control and Performance

No.	Financial Year	Audit Issue
7	2023/2024	Irregular Committee Allowances
8	2023/2024	Renovation of Classrooms Without Technical Reports

Other Information

Management is responsible for the Other Information set out on page iii to xxviii which comprise of Key Constituency Information and Management, NGCDF Committee, NG-CDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting, Management Discussion and Analysis 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. Failure to Prepare and Submit Quarterly Financial Reports

During the year, Management did not prepare and submit quarterly financial reports as provided for in law. This was contrary to Section 83 of the Public Finance Management Act, 2012 and The National Treasury Circular Ref: AG.4/16/3 Vol 4(6) dated 4 July, 2024 that provides that; quarterly financial reports are prepared in accordance with guidance issued by the Public Sector Accounting Standards Board (PSASB); quarterly financial reports are submitted to the line Cabinet Secretary, with a copy to the National Treasury;

quarterly reports are submitted within fifteen (15) days after the end of a quarter and annual report and financial statements accurately reflect the information in the quarterly reports.

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

2. Failure to Construct Digital Hubs

The statement of financial performance reflects total expenditure totalling Kshs.173,224,418. However, analysis of the expenditure items revealed that the Fund did not allocate the three percent (3%) legally prescribed amount for the construction and installation of digital hubs. This was contrary to Section 25 (2A) of the National Government Constituencies Development Fund (Amendment) Act, 2023 which provides for a three percent (3%) allocation towards the construction of the digital hubs.

In the circumstances, Management was breach of the law.

3. Non-Performance of Staff Appraisals

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects employees' costs amount of Kshs.4,676,442 incurred on the compensation of contractual and casual staff engaged during the financial year. Review of the personnel files revealed that the Fund did not undertake performance evaluation of employees through performance appraisals. Therefore, there was no documented assessment of staff performance against work plans and targets. Further, the appraisals play a critical role in management decision making such as contract renewals. Without the performance appraisals, therefore, it was not possible to confirm the criteria applied in arriving at the contract renewals for the contractual employees.

In the circumstances, the efficiency and effectiveness in human resource management could not be confirmed.

4. Incomplete Projects

During the audit exercise conducted in the month of November 2025, eight (8) projects were selected for physical inspection out of which six (6) projects with contract sum of Kshs.29,320,000 were incomplete and others with poor workmanship detailed below:

No.	Project Name	Description	Amount (Kshs)	Observations
1.	Kigonor primary school	Renovation to completion inclusive of project branding of 6 classrooms	5,220,000	<ul style="list-style-type: none"> • Completion estimated at 80% • Electrical works not complete • No metal box was mounted • as there were no sockets • Ceiling was repaired and not replaced for one classroom as provided for in the BQs.

No.	Project Name	Description	Amount (Kshs)	Observations
				<ul style="list-style-type: none"> • Door not lockable while others are not in good condition and therefore need to be changed. • Water collection gutters not well fixed and the piping to the tank not well fixed. The pipe was left hanging. • The facer board was not replaced and painted. • Tiling has not been done along the veranda.
2.	Park view primary school	<ul style="list-style-type: none"> • Purchase delivery and planting of 200 exotic indigenous and fruit tree seedlings • Renovation of 11 classrooms 	100,000	<ul style="list-style-type: none"> • The trees doing well despite the dry weather witnessed. • Some of the trees were about to dry
				<ul style="list-style-type: none"> • Corridor ceiling completely left out. • Electrical works not done. • Only one socket had been fixed per classroom against the 28 provided for in the BQs
3.	Kibowen primary school	Renovation of 9 classrooms	7,740,000	<ul style="list-style-type: none"> • Works completed apart from the corridor ceiling
4.	Mwariki primary school	Renovation of 8 classrooms	6,640,000	<ul style="list-style-type: none"> • Evidence of leaking roof hence poor workmanship. • Poor electrical works as one way socket had been installed as opposed the two-way socket provided for in the BQ
5.	Nakuru west primary school	Renovation of 7 classrooms	6,020,000	<ul style="list-style-type: none"> • The ceiling paint had worn out • Electrical works not done sockets not installed veranda ceiling not done
6.	Nakuru West Primary school	Construction of 10 doors each septic girls' toilets and 2 pcs of a 10 door each of septic boys' toilets	1,200,000*3 = 3,600,000	<ul style="list-style-type: none"> • Toilets done well although the latrine hole seems very small

In the circumstances, value for money for the projects with contract sum amounting to Kshs.29,320,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Risk Management Policy

The Management has not put in place risk management policy and strategies, to mitigate against risk. Lack of risk management framework indicates that they have not taken proactive steps to identify, assess, and mitigate potential risks that might face the Fund. This was contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 requiring that an Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism a system of risk management and internal control that builds robust business operations.

In the circumstances, it was not possible to confirm the effectiveness of the internal controls, risk management and governance of the Fund.

2. Lack of Fraud, Risk Management Policy and Risk Register

The Fund's Risk Management Policy. This was contrary to Regulation 158 of the Public Finance Management Regulations, 2015 which requires that internal auditors shall have a duty to give reasonable assurance through the Audit Committee on the state of risk management, control and governance within the organization.

In the circumstances, existence of an effective risk management mechanism could not be confirmed.

3. Failure to Implement E-Procurement Procedures

During the year under review, the Fund Management did not fully implement e-procurement module and did not comply with the requirements of the Executive Order No. 2 of 2018. Further, the tenders were maintained and publicized on Fund's website with bids submitted through the same website. This was contrary to the Executive Order No. 2 of 2018 which requires the Fund to maintain and continuously update, through the websites of e-Citizen, Public Procurement Regulatory Authority platforms, public notice boards and/or official government publications, a complete information of all tenders, and that the fund updates and publicize a separate comprehensive list of all registered suppliers, contractors and consultants in the various specific categories of goods, works and/or services pre-qualified to its procurement needs and consolidated and published the information above by 15 day of every subsequent month, outlining the tender and supplier data for the previous month.

In the circumstances, the procurement processes done during the year 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 the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 December, 2025

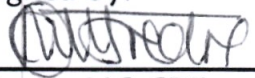
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11. Statement of Financial Performance for the Year Ended 30th June 2025


	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		188,414,052
Expenses		
Employee costs	10	5,534,263
Committee expenses	11	3,697,000
Use of Goods and Services	12	8,536,971
Other Government Units Actual expenditure	13	61,025,857
Other Grants and Transfers Actual expenditure	14	88,721,462
Depreciation and amortization expense	15	5,708,866
Digital Hubs Actual expenditure	16	
Total expenses		173,224,418
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		15,189,635

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


and signed by:



 Chairman NG-CDF
 Committee
 Name: Wilfred Omariba



 National Sub-County
 Accountant
 Name: Rahab Mathu
 ICPAK M/No: 15196



 Fund Account Manager
 Name: Faith Kathambi


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


	Not e	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	44,291,903	35,396,506
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	58,414,052	55,472,134
Prepayments	22	-	-
Total Current Assets		102,705,955	90,868,640
Non-Current Assets			
Property, Plant and Equipment	23	48,629,042	36,528,489
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		48,629,042	36,528,489
Total Assets (A)		151,334,997	127,397,129
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	15,499,805	7,631,911
Lease Liabilities	28	-	-
Gratuity provision	29	1,777,770	897,432
Total Current Liabilities		17,277,575	8,529,342
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		17,277,575	8,529,342
Net Assets (A-B)		134,057,422	118,867,787
Represented by:			
Revaluation Reserves		134,057,422	118,867,787
Accumulated Surplus			
Total Net Assets		134,057,422	118,867,787

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

The Constituency financial statements set out on pages 1 to 5 approved by NG CDFC on _____ 2025 and signed by:



Chairman NG-CDF
Committee
Name: Wilfred Omariba



National Sub-County
Accountant
Name: Rahab Mathu
ICPAK M/No: 15196



Fund Account Manager
Name: Faith Kathambi

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	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	14,679,631	-	14,679,631
Adjustments: (to recognize assets and liabilities)			
Add Assets	109,347,964		109,347,964
Less Liabilities	5,159,808		5,159,808
As at July 1, 2024	118,867,787		118,867,787
Surplus/(Deficit) For the Period	15,189,635		15,189,635
Revaluation Gain/Loss	-	-	-
As at 30 th June (current year)	134,057,422	-	134,057,422

Note:

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

*National Government Constituencies Development Fund (NGCDF)
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14. Statement Of Cash Flows for The Year Ended 30th June 2025

	Notes	Period ended June 2025 Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		185,472,134
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		185,472,134
Payments		
Employee costs		4,653,925
Committee expenses		3,697,000
Use of Goods and Services		8,536,971
Other Government Units Certified Works		57,897,730
Other Grants and Transfers		88,160,641
Digital Hubs Expenses		
Total Payments		162,946,266
Net Cash Flows from/ (used in) Operating Activities	30	22,525,868
Cash flows From Investing Activities		
Purchase of PPE		13,630,472
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		13,630,472
Net increase/(decrease) in cash & Cash equivalents		8,895,396
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		8,895,396
Cash and cash equivalents at Period Start	19	35,396,506
Cash and cash equivalents at Period End	19	44,291,903

NB :The amount of purchase of PPE is exclusive of construction of office retention of KSH 4,178,946 held during the year.

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

National Government Constituencies Development Fund (NGCDF)
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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	188,414,052	35,396,506	55,472,134	279,282,693	220,868,640	58,414,052	79%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	188,414,052	35,396,506	55,472,134	279,282,693	220,868,640	58,414,052	79%
Expenses							
Employee costs	5,405,837	1,022,114	-	6,427,951	4,653,925	1,774,027	72%
Committee expenses	6,278,000	1,482,261	-	7,760,261	3,697,000	4,063,261	48%
Use of Goods and Services	5,273,428	3,283,829	-	8,557,257	8,536,971	20,286	100%
Other Government Units Certified Works	74,360,000	15,581,123	32,084,466	122,025,589	57,897,730	64,127,859	47%

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Other Grants and Transfers	91,096,787	2,999,947	21,598,327	115,695,061	88,160,641	27,534,421	76%
Acquisition of assets	6,000,000	11,005,011	1,789,341	18,794,352	13,630,472	5,163,881	73%
Others	-	22,221	-	22,221		22,221	0%
Funds Pending Approval**	-	-	-	-		-	
Total Expenditure	188,414,052	35,396,507	55,472,134	279,282,693	176,576,738	102,705,955	63%
Surplus for the period							

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

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Explanatory Notes.

The under utilization of funds is due to late disbursement of funds from the NGCDF Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	102,705,955
Less undisbursed funds receivable from the Board as at period June 2025	58,414,052
Cash and Cash Equivalents at the end of the 30 th June 2025	44,291,903

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 _____ 2025 and signed by:



Fund Account Manager

Name: Faith Kathambi



National Sub-County Accountant

Name: Rahab Mathu
ICPAK M/No: 15196.



Chairman NG-CDF Committee

Name: Wilfred Omariba

16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
Compensation of employees	5,405,837	1,022,114		6,427,951	4,653,925	1,774,027
Committee allowances	1,128,000	744,758		1,872,758	981,000	891,758
Other committee expenses	250,000	-		250,000		250,000
Use of goods and services	4,521,006	2,924,199		7,445,206	5,240,571	2,204,635
Sub-total	11,304,843	4,691,071	-	15,995,915	10,875,496	5,120,419
2.0 Monitoring and evaluation						
Capacity building	2,300,000	35,800		2,335,800	2,296,400	39,400
Committee allowances	2,600,000	701,703		3,301,703	2,716,000	585,703
Use of goods and services	752,422	359,630		1,112,052		1,112,052
Sub-total	5,652,422	1,097,133	-	6,749,555	5,012,400	1,737,155
3.0 Emergency						
Nakuru Hills Special	2,176,529	143,290		2,319,819	2,065,644	254,175
Parkview Primary School	3,261,256	338,744		3,600,000	3,304,264	295,736
Barut Primary school	1,798,000			1,798,000	1,550,284	247,716
Nakuru West Primary School	2,680,744			2,680,744	2,245,826	434,919
Sub-total	9,916,529	482,034	-	10,398,563	9,166,018	1,232,546

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
4.0 Bursary and Social Security						
Secondary Schools	69,365,621	691	21,515,549	90,881,860	71,596,954	19,284,906
Tertiary Institutions	6,000,000	1,826,951		7,826,951	7,377,669	449,282
Sub-total	75,365,621	1,827,641	21,515,549	98,708,811	78,974,623	19,734,188
5.0 Climate Change Mitigation						
Moi Primary School			82,778	82,778		82,778
Mogoon Primary School	100,000			100,000		100,000
Parkview Primary School	100,000			100,000		100,000
Mama Ngina Primary School	100,000			100,000		100,000
Activity	642,070			642,070		642,070
Barut Primary School		690,134		690,134	20,000	670,134
Sub-total	942,070	690,134	82,778	1,714,983	20,000	1,694,983
6.0 Primary Schools Projects (List all the Projects)						
Parkview Primary School	2,400,000	2,687	5,800,000	8,202,687	4,296,179	3,906,508
mama Ngina Primary School	6,800,000	1,160	3,023,000	9,824,160	2,775,595	7,048,565
Heshima Primary School		16,351	3,023,000	3,039,351	2,444,817	594,534
koinange Primary School		373,346	1,523,466	1,896,812	1,720,358	176,453
prison Primary School	3,000,000	2,563,519		5,563,519	3,276,860	2,286,659

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
barut Primary School	1,200,000	2,557,074		3,757,074	1,801,711	1,955,363
ingobor Primary School	1,200,000	243	1,200,000	2,400,243	1,107,928	1,292,316
mwariki Primary School	6,640,000	1,412	3,023,000	9,664,412	8,452,834	1,211,578
Nakuru West Primary School	8,420,000	457,630	3,023,000	11,900,630	7,101,057	4,799,573
kibowen Komen Primary School	7,740,000	2,735,642		10,475,642	9,549,002	926,641
uhuru Primary School	1,500,000	3,109,073		4,609,073	3,105,995	1,503,077
kaptembwo Primary School		1,192	3,023,000	3,024,192	2,582,416	441,776
Eileen Ngochoch Primary School		3,251,518		3,251,518	3,250,860	657
Muslim Primary School		426,790	3,023,000	3,449,790	2,570,982	878,808
Milimani Primary School	1,200,000	2,496	1,200,000	2,402,496	1,086,618	1,315,878
kigonor Primary School	7,920,000	288		7,920,288		7,920,288
mogoon Primary School	5,880,000	1,973		5,881,973	-	5,881,973
kelelwet Primary School	6,100,000	1,651		6,101,651		6,101,651
lalwet Primary School		491		491		491
Kiptenden Primary School	1,200,000	2,818		1,202,818		1,202,818
Moi Primary School		6,142	3,023,000	3,029,142	2,774,517	254,625
Sub-total	61,200,000	15,513,498	30,884,466	107,597,964	57,897,730	49,700,234
7.0 Secondary Schools Projects (List all the Projects)						
craterview Secondary School		2,816		2,816		2,816

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
uhuru High School		1,698		1,698		1,698
Kenyatta Secondary School	6,720,000	2,762		6,722,762		6,722,762
mwariki Secondary School		23,725		23,725		23,725
Moi Secondary School	6,440,000	11,675		6,451,675		6,451,675
kelelwet Secondary School		24,950	1,200,000	1,224,950		1,224,950
Sub-total	13,160,000	67,625	1,200,000	14,427,625	-	14,427,625
8.0 Tertiary institutions Projects (List all the Projects)						
Sub-total						
9.0 Security Projects						
kaptembwo Police Station		137		137		137
mwariki Police Post	4,872,567			4,872,567		4,872,567
Sub-total	4,872,567	137	-	4,872,704	-	4,872,704
10.0 Acquisition of assets						
Purchase Of Furniture And Fittings	5,000,000			5,000,000	5,000,000	-
Construction Of CDF Office	1,000,000	11,005,011	1,789,341	13,794,352	9,630,472	4,163,881
Sub-total	6,000,000	11,005,011	1,789,341	18,794,352	14,630,472	4,163,881

*National Government Constituencies Development Fund (NGCDF)
Nakuru Town West Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
11.0 Digital Hubs						
<i>(Itemize as per the code list)</i>						
Sub total						
12.0 Others						
Nakuru Town West Sports Committee		161		161		161
Nakuru Town West Strategic Plan		22,060		22,060		22,060
Sub total	-	22,221	-	22,221	-	22,221
13.0 Funds pending approval**						
13.1 Unapproved projects						
13.2 AIA						
Sub-total						
Total	188,414,052	35,396,507	55,472,134	279,282,693	176,576,738	102,705,955

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Nakuru Town West Constituency principal activity is the implementation of NG-CDF funded projects in the constituency.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Nakuru Town West 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 Nakuru Town West has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Not applicable
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Not applicable
IPSAS 45: Property Plant	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45

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

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

National Government Constituencies Development Fund (NGCDF)
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 18*

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current

replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	FY 2024/2025
	Kshs
Grants	
Total	

8. Finance income

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

9. Miscellaneous income

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

National Government Constituencies Development Fund (NGCDF)
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10. Employees cost

	<i>FY 2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,303,264
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	880,338
Employer Contributions Compulsory national social security schemes	256,986
Employer Contributions Compulsory Housing levy	85,476
Employer contributions to National Industrial Training Authority	8,200
Other Specify	-
Total	5,534,263

11. Committee Expenses

	<i>FY 2024/2025</i>
	Kshs
Sitting allowance	2,716,000
Other Committee expenses	981,000
Total	3,697,000

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

	<i>FY 2024/2025</i>
	Kshs
Utilities, supplies and services	1,181,388
Communication, supplies and services	515,000
Domestic travel and subsistence	1,606,400
Printing, advertising and information supplies & services	210,167
Office Rent	-
Training expenses	690,000
Hospitality supplies and services	653,000
Insurance costs	-
Specialized materials and services	355,000
Office and general supplies and services	1,902,016
Fuel, oil & lubricants	-
Bank charges	25,000
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	1,399,000
Total	8,536,971

13. Other Government Units Actual expenditure

Description	<i>FY 2024/2025</i>
	Kshs
Primary Schools Actual expenditure	61,025,857
Secondary Schools Actual expenditure	-
Tertiary Institutions Actual expenditure	-
Total	61,025,857

National Government Constituencies Development Fund (NGCDF)
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14. Other Grants and transfers Actual expenditure

Description	FY 2024/2025
	Kshs
Bursary – secondary schools	71,596,954
Bursary – tertiary institutions	7,377,669
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	-
Climate change mitigation projects	20,000
Emergency projects Actual Expenditure	9,726,839
Roads projects	-
Others specify	-
Total	88,721,462

15. Depreciation and Amortization Expenses

Description	FY 2024/2025
	Kshs
Property Plant and Equipment	5,708,866
Intangible Assets	-
Total	5,708,866

16. Digital Hubs Expenses

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

National Government Constituencies Development Fund (NGCDF)
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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalent

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 't July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	4,429,303	18,084,528
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	5,956,716	897,432
<i>Name of Bank, account No. (PMC's account)</i>	33,905,884	16,414,547
Total	44,291,903	35,396,506
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

*National Government Constituencies Development Fund (NGCDF)
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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	FY 2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	58,414,052		55,472,134	
Outstanding imprest	-		-	
Total	58,414,052		55,472,134	
Ageing Analysis- Receivables from non-exchange transactions	<i>FY</i> 2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	58,414,052	%	55,472,134	%
Between 1-2 years		%		%
Over 3 years		%		%
Total	58,414,052	%	55,472,134	%

22. Prepayments

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

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	25.00%	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024			-	-		1,000,000	35,828,489	-	36,828,489
Additions	-	48,587,533	-	-	5,000,000	50,374	12,759,044	-	66,396,951
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	(48,587,533)	-	(48,587,533)
As At June Sep/Dec/Mar/Jun 2025	-	48,587,533	-	-	5,000,000	1,050,374		-	54,637,907
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	300,000	-	-	300,000
Depreciation	-	4,858,753	-	-	625,000	225,112		-	5,708,866
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At July Sep/Dec/Mar/Jun 2025	-	4,858,753	-	-	625,000	525,112		-	6,008,866
Net Book Values									
Opening Bal as at 1st July 2024	-	-	-	-	-	700,000		-	700,000
As At June, 2025	-	43,728,780	-	-	4,375,000	525,262		-	48,629,042

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Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land			
Buildings	48,587,533	4,858,753	43,728,780
Plant And Machinery			
Motor Vehicles, Including Motorcycles			
Computers And Related Equipment	1,050,374	525,112	525,262
Office Equipment, Furniture, And Fittings	5,000,000	625,000	4,375,000
Total	54,637,907	6,008,866	48,629,042

NB: The additions of PPE include cost of the building which is KSH 48,587,533 and office retention of KSH 4,178,946 held during the year.

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

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

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24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024				
Additions				
As At 30 June 2025				
Additions				
As At 30 June 2025				
Accumulated Depreciation				
As At 1 July 2025				
Charge for the period				
As At 30 June 2024				
Charge for the period				
As At 30 June 2025				
Carrying Amount				
As At 30 June 2025				
As At 30 June 2024				

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26. Trade and Other Payables

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

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27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	7,631,911	
Retention held during the period (B)	12,748,128	7,631,911
Retention paid during the period (C)	4,880,234	
Closing Retention as at period 2025, D= A+B-C	15,499,805	7,631,911

Retentions aging analysis.

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

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	
Non- Current	
Total	

29. Gratuity Provision

Description	<i>Period ended June 2025</i>	<i>Opening Statement</i>
	Kshs	1st July 2024 Kshs
Gratuity at the beginning of the period (A)	897,432	
Gratuity held during the period (B)	880,338	897,432
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period June 2025 D=(A+B-C)	1,777,770	897,432

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	15,189,635
Adjusted for:	
Depreciation	5,708,866
Non-cash grants received	-
Contributed assets	
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(2,941,918)
Changes in deferred income	-
Changes in Third party deposits	(7,867,894)
Changes in gratuity provision	(880,338)
Changes in payments received in advance	-
Net cash flow from operating activities	30,827,975

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions				
Receivables from non-exchange transactions	58,414,052	58,414,052		
Bank balances	4,429,303	4,429,303		
Total	62,843,355	62,843,355		
As at 30 June 2024				
Receivables from exchange transactions				
Receivables from non-exchange transactions	55,472,134	55,472,134		
Bank balances	18,084,528	18,084,528		
Total	73,556,662	73,556,662		

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from 2024. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables				
Current poportion of borrowings				
Provisions				
Deferred income				
Gratuity Provision			1,777,770	1,777,770
Total			1,777,770	1,777,770
As at 30th June 2024				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation			897,432	897,432
Total			897,432	897,432

iii) Market risk

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

a) Foreign currency risk

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

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.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (FY20244/2025: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (FY 2024/2025 – Kshs)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data

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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.

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

iv) Capital Risk Management

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

Description	FY 2024/2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	134,057,422	118,867,787
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances	(44,291,903)	(35,396,506)
Net Debt/(Excess Cash And Cash Equivalents)	89,765,519	(83,471,281)
Gearing		

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32. Related Party Disclosures

	<i>FY 2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,978,000	4,837,625
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	185,472,134	202,960,174
Total	189,450,134	207,797,799

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

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Contingent Liabilities

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

35. Capital Commitments

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

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

36. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost At Year/period End (Kshs)
Land				
Buildings and structures	35,828,489	12,759,044		48,587,533
Transport equipment				
Office equipment, furniture, and fittings		5,000,000.00		5,000,000.00
ICT Equipment and Other ICT Assets	700,000	50,374.00		750,374
Other Machinery and Equipment				
Intangible assets				
Total	36,528,489	17,809,418.00		54,337,907

(Attach the complete asset register showing all the assets in the constituency with the date of purchase, cost of the asset, depreciation rate, depreciation for the year, accumulated depreciation and the NBV of the assets)

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

PMC	Bank	Account number	Bank Balance F/YY 2024/2025	Opening Statement 1 st July 2024
Parkview Primary School	Family Bank Finance Branch	018000063625	1,802,244	2,687
Mama Ngina Primary School	Family Bank Finance Branch	018000080851	7,048,565	1,160
Heshima Primary School	Family Bank Finance Branch	018000100170	594,534	16,351
Koinange Primary School	Family Bank Finance Branch	018000056306	1,354,921	373,346
Prison Primary School	Family Bank Finance Branch	018000070649	2,286,659	2,563,519
Barut Primary School	Family Bank Finance Branch	018000047651	1,673,214	3,247,208
Ingobor Primary School	Family Bank Finance Branch	018000074021	92,316	243
Mwariki Primary School	Family Bank Finance Branch	018000063319	1,211,578	1,412
Nakuru West Primary School	Family Bank Finance Branch	018000056279	2,834,492	457,630
Kibowen Komen Primary School	Family Bank Finance Branch	018000064130	926,641	2,735,642
Uhuru Primary School	Family Bank Finance Branch	018000070592	3,077	3,109,073
Kaptembwo Primary School	Family Bank Finance Branch	018000099880	441,775	1,191

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Eileen Ngochoch Primary School	Family Bank Finance Branch	018000074108	1,153,571	3,251,518
Muslim Primary School	Family Bank Finance Branch	018000056292	878,808	426,790
Milimani Primary School	Family Bank Finance Branch	018000056290	2,677,895	2,496
Kigonor Primary School	Family Bank Finance Branch	018000069292	288	288
Mogoon Primary School	Family Bank Finance Branch	018000073993	5,881,973	1,973
Kelelwet Primary School	Family Bank Finance Branch	018000056278	1,226,601	1,651
Lalwet Primary School	Family Bank Finance Branch	018000093108	491	491
Kiptenden Primary School	Family Bank Finance Branch	018000083120	2,818	2,818
Moi Primary School	Family Bank Finance Branch	018000030028	337,403	6,142
Nakuru Hills Special	Family Bank Finance Branch	018000070745	254,175	143,290
Mwariki Secondary School	Family Bank Finance Branch	018000056661	1,202,893	23,725
Moi Secondary School	Family Bank Finance Branch		11,675	11,675
Kelelwet Secondary School	Family Bank Finance Branch		-	24,950
Craterview Secondary School	Family Bank Finance Branch		2,816	2,816
Uhuru High School	Family Bank Finance Branch		1,698	1,698
Kenyatta Secondary School	Family Bank Finance Branch		2,762	2,762
Total			33,905,884	16,414,547

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Inaccuracies in the Financial Statements	<p>The Chairman's report reflects actual payments in respect of education, bursary and environment of Kshs.25,178,721, Kshs.57,957,233 and Nil respectively. However, the statement of financial performance and the respective Notes to the financial statements reflects amounts of Kshs.54,178,721, Kshs.74,050,558 and Kshs.3,039,203 resulting in unexplained variances of Kshs.29,000,000, Kshs.16,093,325 and Kshs.3,039,203 respectively. Further, review of records in relation to various expenditure components revealed that there were variances between the amounts disclosed in the financial statements and the supporting schedules as detailed in the table below:</p>	<p>Management acknowledges discrepancies between figures in the Chairman's Report, the Statement of Financial Performance, and supporting schedules—mainly due to timing differences between accrual-based accounting in financial statements and cash-based reporting in the Chairman's Report. Aggregation of items and classification inconsistencies also contributed to the</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>variances. A reconciliation exercise has been conducted to align all reports. To prevent recurrence, Management has strengthened internal review processes, improved collaboration between finance and reporting teams, and ensured clear separation of accruals and actual payments in reports. Management is committed to enhancing the accuracy, consistency, and transparency of financial reporting in future periods.</p>		
2. Unsupported Renovations of Classrooms	The amount statement of receipts and payments reflects transfers to other Government units of Kshs. 54,178,721 which as disclosed in Note 7 to the	Management acknowledges the audit observation on the	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>financial statements relates the to the renovations of both primary and secondary school classrooms. However, Public amount Works was to confirm not supported by pre-inspection reports from the head of Sub-County no renovations needed to be done on the classrooms. In addition, post-inspection reports were provided to confirm the completion of the renovations. In other the Government circumstances, the accuracy, completeness and value for money of transfers to units amount of Kshs.54,178.721 could not be confirmed.</p>	<p>Kshs.54,178.721 transferred to other government units for classroom renovations. While post-inspection reports confirming project completion were provided, pre-inspection reports were missing due to coordination delays during the planning phase. Despite this, post-implementation assessments and beneficiary confirmations offer reasonable assurance that the works were completed as intended. To enhance future accountability and value-for-money assurance, Management has mandated</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)
		pre-inspection approvals, strengthened coordination with the Sub-County Public Works Office, and is developing a comprehensive monitoring and evaluation framework. Management remains committed to prudent public fund utilization and improving controls over inter-governmental project transfers.		
3. Failure to Report Emergency Expenditure	The statement of receipts and payment reflects other grants and transfers amount of expenditure Kshs.86,771,261 which as disclosed in Note 8 to the financial statements reflects on emergency projects amounting to Kshs.9,681,500. with However, inspection review of the expenditure records revealed that the amount was not supported by the inspection and acceptance reports, joint measurements and completion certificates	Management acknowledges the audit observation on the Kshs.9,681,500 emergency project expenditure and regrets the lack of supporting documents such as inspection reports, joint	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>verification. Further, and acceptance committee and expenditure returns for audit Board within thirty (30) Management did not provide evidence in form of reports sent to the days upon completion of the projects for audit verification. In projects the circumstances, the accuracy and completeness of the expenditure on emergency amounting to Kshs.9,681,500 could not be confirmed.</p>	<p>measurements, and completion certificates. These gaps resulted from the urgency of emergency interventions, which compromised adherence to full documentation protocols. However, the projects were implemented as intended. To address this, Management is conducting an internal review to compile missing records, has enforced strict compliance with standard procedures for all emergency works, and introduced a monitoring checklist for timely reporting. Capacity-building</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)
		sessions are also planned. Management remains committed to enhancing accountability and ensuring full audit compliance going forward.		
4. Unsupported Project Management Committee (PMC) Bank Balances	Note Kshs.13,134,580, 19.4 to the However, financial statements reflects PMC account balances totalling reflects unutilized the corresponding Annex 5 to the financial statements in an unexplained funds variance or PMC bank balances amounting to Kshs.70,313,585 resulting reconciliation of Kshs.57,179,005. However, the bank statements, the bank were not statements, expenditure returns and projects implementation status reports provided for audit verification. Further, the prior year closing balances are also not supported by a movement schedule and relevant documentation. In the circumstances, the accuracy and completeness of the project management committee (PMC) account balances of Kshs.13,134,580 could not be confirmed.	Management acknowledges the audit observation on the variance of Kshs.57,179,005 between PMC account balances in Note 19.4 and Annex 5. The discrepancy arose from incomplete consolidation and delays in receiving bank statements and reports from various PMCs. Prior year balances also lacked a proper movement schedule. To	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		address this, a reconciliation exercise is underway, and PMCs have been instructed to submit updated records. A movement schedule will be included in future financial statements, and a centralized monitoring system is being developed. Management is committed to improving financial oversight and ensuring timely documentation and reconciliation for future audit verification.		
5. Lack of an Updated Fixed Assets Register	Annex 4 to the financial statements reflect summary of fixed assets register historical cost balance of Kshs.45,525,468 which comprised of the opening balance of Kshs.8,696,979 and addition during the year amounting to Kshs.36,828,489. However, the Fund's assets register did not include the additional	Management acknowledges the audit concerns regarding the fixed assets balance of Kshs.45,525,468 and recognizes key issues	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>assets during the year valued at Kshs.36,828,489. Further, the assets register does not indicate the assets' actual purchase date, serial numbers and physical location of the assets and the Fund's assets could not be easily identified since they had not been tagged. In addition, the assets register does not include the National Government Development Constituencies Fund office building, and the value of intangible assets in the Fund's custody. As reported previously, the police report on stolen assets valued at Kshs.408,639 was not provided for audit confirmation. In the circumstances, the existence and completeness of the fixed assets balance of Kshs.45,525,468 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 - Nakuru Town West Constituency Management in accordance with ISSAI 130 on 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</p>	<p>such as unrecorded assets, incomplete asset details, lack of tagging, and missing documentation for stolen assets. The discrepancies were due to delays in updating the asset register. To address these, Management is updating and reconciling the asset register, conducting a tagging and verification exercise, including intangible assets and the Fund office building, and following up on the stolen asset report. Training and stronger internal controls are also being implemented. Management is committed to ensuring</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)
	evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.	full compliance and resolving these issues before the next reporting cycle.		



**Name: Faith Kathambi
 Fund Account Manager.**

