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REPORT

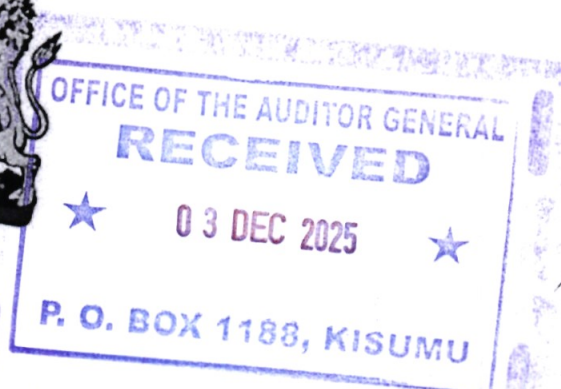
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 FEB 2026	DAY: Wednesday
TABLED BY:	Hon. (Dr.) Robert Lukosa on behalf of leaders of Majority
CLERK-AT-TABLE:	hon. n/a

THE AUDITOR-GENERAL

ON

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

HAMISI 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 Hamisi Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Mr. Silverius M. Wakoli
2.	National Sub-County Accountant	Mrs. Susan Nasimiyu Simiyu
3.	Chairman NG CDFC	Dr. Isaiah Kipsang Rotich
4.	Member NG CDFC	Mrs. Naomi Migide
5.	Member NG CDFC	Mr. Bilventure Amulavu (deposit bank account)

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Hamisi Constituency Headquarters

Shamakhokho ACC's Office Grounds,
Chavakali – Kapsabet Highway
Kaimosi, KENYA

(e) NGCDF Hamisi Constituency Contacts

P.O. Box 262-50309, Kaimosi
Telephone: (254) 722959351 / (254) 707936722
E-mail: cdfhamisi@ngcdf.go.ke
Website: www.ngcdfhamisi.go.ke

(f) NGCDF Hamisi Constituency Bankers

1. Operations Account.
Kenya Commercial Bank
Mbale Branch
P.O. Box 1123-50304
Maragoli.
2. Deposit account.
Equity Bank Mbale Branch
P.O. Box 545-50304
Maragoli
3. Project Management Committee Accounts
Kenya Commercial Bank
Mbale Branch
P.O Box 1123-50304
Maragoli

Co-operative Bank
Mbale Branch
P.O. Box 1123-50304
Maragoli

(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

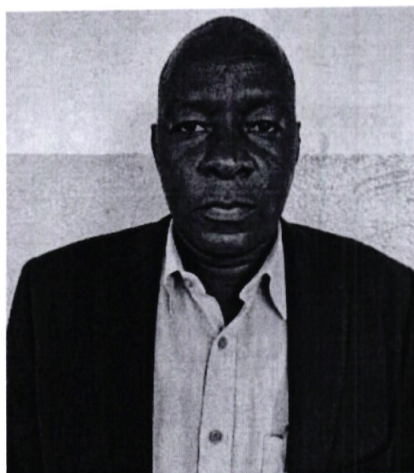
(i) NGCDF Committee

Name	Details
 Dr. Isaiah Kipsang Rotich Chairman	Date of Birth: 31/08/1968 Academic Qualification: PHD in Leadership – University of America Bachelor in Theology Diploma in Accountancy Work Experience: Has worked for 23yrs as an Accountant - Pentecostal Bible College – Nyang’ori NG-CDFC Chairperson Hamisi 2022-date
 Mrs. Ruth Lorete DCC	Date of Birth: 31/08/1981 Academic Qualification: Masters in Public Administration Work Experience: DO : 2006-2010 DCC : 2010 to Date
 Beliventure Amulavu Male Youth Representative	Date of Birth: 28/09/1998 Academic Qualification: Bachelor’s degree in Education Science (Biology and Chemistry) Work Experience: He is businessman NG-CDFC Member – 2022 to date
 Mrs. Ruth Iravonga Representative with PLWD	Date of Birth: 31/08/1971 Academic Qualification: Form Four Work Experience: She has been a Social Worker – Hamisi Sub-County from 2020 to date NG-CDFC Member 2022-2024

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

 Owen Kasiera Majani Nominee of the Constituency (Male)	Date of Birth: 0/05/1978 Academic Qualification: Form Four Work Experience: He is an active farmer and a businessman NG-CDFC Member 2022 to date
 Naomi Mijide Nominee of the Constituency (Female)	Date of Birth: 10/11/1976 Academic Qualification: Form Four Work Experience: She has been a social Worker – Boyani for over 15 years She is a member of NG-CDFC
 Barbra Shisanya Female Youth Representative	Date of Birth: 06/11/1990 Academic Qualification: Form Four Work Experience: She is based in sports activities. She is a Hamisi NG_CDF member since 2022 to NGCDFC date, She is a member of NGCDFC
 Mr. Yofas Ibrahim Amugongo Co-opted Member	Date of Birth: 05/03/1960 Academic Qualification: KCE/ Military Training Work Experience: Brigadier Military training He is a member of NG-CDFC
 Mr. Silverius M. Wakoli Fund Account Manager	Date of Birth: 10/08/1981 Academic Qualification: Bachelor's degree in Bachelors of Commerce from Kenyatta Work Experience: He has served as a fund manager since 2009

(j) NG-CDFC Chairman's Report



DR. ISAIAH KIPSANG ROTICH
NGCDF CHAIRMAN - HAMISI

Being the chair of the body laying policies and overseeing the expenditure of the funds received by the constituency from the board, I am pleased to present to you the annual report and financial statement for the year ended 30th June 2025. The financial statements set out below were prepared on accrual basis of accounting regulated by the international public sector accounting standards.

Hamisi NG-CDF aspires to be the best constituency in utilization of NGCDF funds in meeting the objectives of the fund that eventually leads to development in the lowest level of the nation. This is achieved by the constituency through satisfying the community needs and promoting good governance in management of the fund. The establishment of the fund was centered on channeling funds to grass root communities by enabling them to implement the projects identified through public participation.

We have had notable success in implementation of projects especially those that transform lives of our community in the constituency through areas such as Education, security, climate change mitigation and bursary awards to needy students within Hamisi constituency.

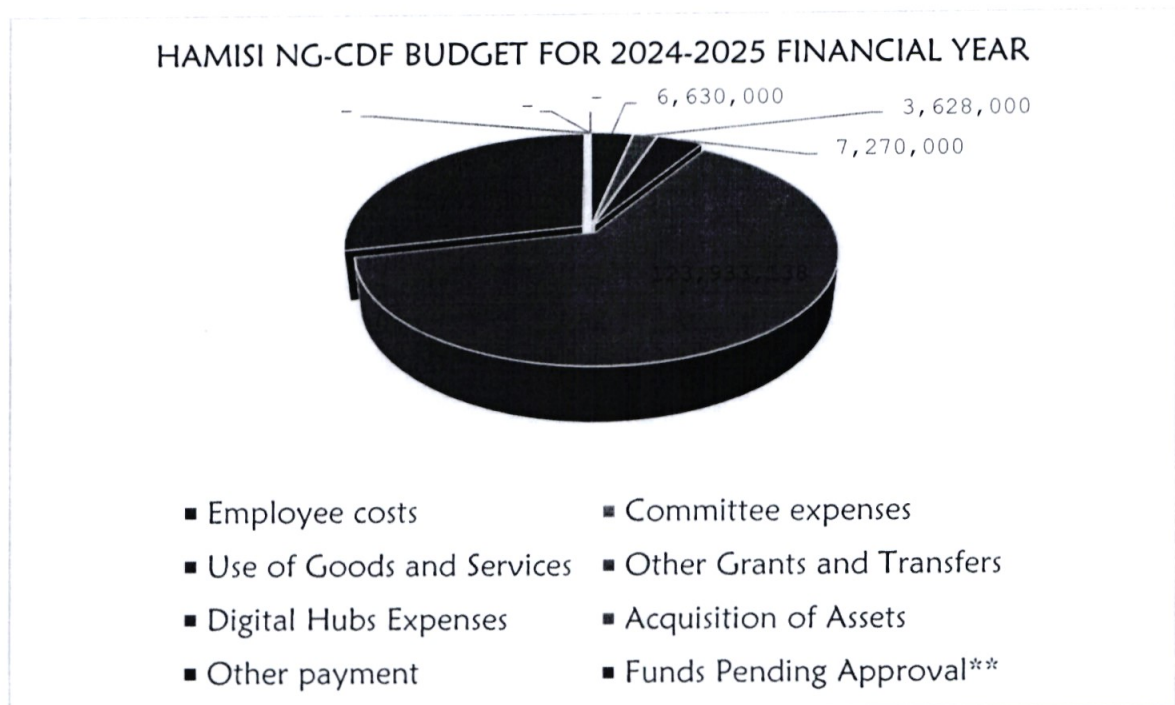
Budget Performance Overview

Hamisi NG-CDF was allocated Kshs. 197,386,150 for the financial year 2024/2025. The Constituency had a final budget of Kshs. 283,717,632 which constitutes Kshs. 197,386,149.92 of the original budget for the financial 2024-2025, Kshs. 58,444,724

an amount owed to the Constituency as at 30th June 2024, the opening cashbook balance of Kshs. 12,147,891 as at 1st July 2024 and the PMCs bank balances of Kshs. 13,585,424. During the year under review, the Constituency spent Kshs. 235,331,482 representing 83% utilization.

During the financial year 2024-2025, Hamisi Constituency budgeted as follows:

Original Budget	Amount
Employee costs	6,630,000
Committee expenses	3,628,000
Use of Goods and Services	7,270,000
Other Government Units Certified Works	123,933,138
Other Grants and Transfers	55,925,012
Digital Hubs Expenses	-
Acquisition of Assets	-
Other payment	-
Funds Pending Approval**	-



Pie chart showing utilization difference against total budget.

Despite the delay in disbursement of funds, we have been able to implement and complete more than 60% of projects. A number of new schools (both primary and secondary) were established by purchasing land and initiation of classroom construction.

We were also able to expand infrastructure, mainly classrooms, in the existing schools. Through the fund, Hamisi NG-CDF has ensured establishment of new modern security offices such as Gambogi police station which hosts VIP cells, Station health Center and Mental Cell. There has been improvement in the environmental activities that has enhanced climate change mitigation through afforestation.

Despite the successes achieved, there were challenges encountered along the way. This includes delays in disbursement of funds from the CDF Board, low capacity to implement projects by the PMCs hence there is need for training and inadequate allocation by the NG-CDF Board which makes it impossible to implement the number of projects proposed by the community. It also leads to little allocation to projects hence unable to complete all the budgeted projects in one financial year.

Fund is critical for optimal budget utilization and the achievement of intended development goals.

The below table shows the Final budget against Actual Expenditure during the financial year 2024-2025

Expenses	Final budget	Actual expenditure
Employee costs	9,262,765	6,901,458
Committee expenses	5,063,627	5,040,000
Use of Goods and Services	7,967,780	7,825,308
Other Government Units Certified Works	200,110,873	104,854,777
Other Grants and Transfers	61,197,896	52,893,534
Digital Hubs Expenses	-	-
Acquisition of assets	89,690	-
Others	25,000	-
Total	283,717,632	177,515,076

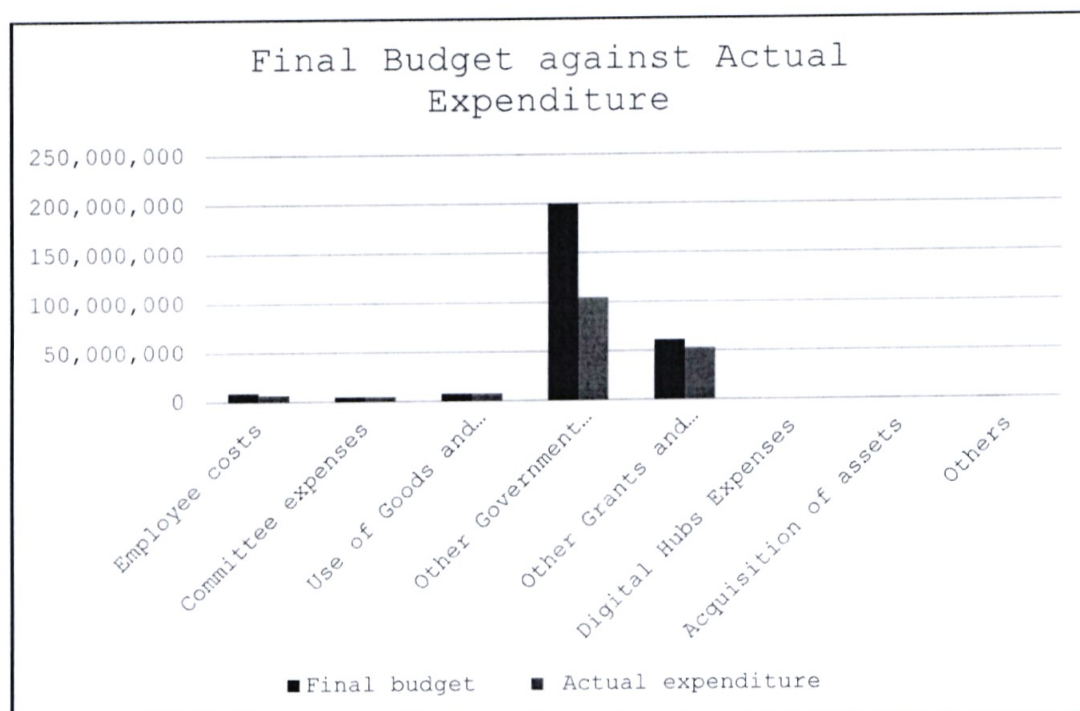


Figure: Bar Chart showing the Final Budget and the Actual Expenditure

From the above analysis the performance of Hamisi NG-CDF has been commendable given the circumstances and this was as a result of team work among the NG-CDFC and other stakeholders.

The construction of additional classrooms reduced the challenges that the various schools were facing more so the Junior Secondary schools

Bursaries issued to over 11,000 students across the constituency enabled the needy students to learn without interruptions

Rural Electrification project enabled connectivity of electricity to large number of homes thus making their economic activities effective and efficient.

ACHIEVEMENTS DURING FINANCIAL YEAR 2024-2025

During the financial year 2024-2025, Hamisi NGCDF received Kshs 207,444,724 which was spend under various Vote heads i.e. Compensation to employees, payment of bursary to over 10,100 students both in secondary, special needs and tertiary, climate change, emergency projects, secondary projects and security projects. Top of the achievements, the below pictorials demonstrate the achievements



LUTHER PRIMARY SCHOOL - Construction of 4No. classrooms fully constructed by NG-CDF



BANJA CHIEFS OFFICE –Construction of 6 door latrine and 2No. bathrooms

○ **Emerging issues related to Hamisi NG - CDF**

The following are some of the emerging issues that are experienced as a result of the current economy.

1. Restructuring of the Education Funding

The move by the government to restructure the education funding for the tertiary institutions through changing of the HELB funding structure has brought a lot of pressure to the NGCDF Bursary Funds as many students are now seeking for scholarships from the constituency to enable them continue with their studies

2. Junior Secondary School

The introduction of the Junior Secondary School through the CBC Education system has brought a lot of pressure to the existing facilities in various primary schools. There is need for construction and equipping of new classrooms and laboratories to accommodate the students.

3. Inflation Rates

With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increase in the cost of construction materials. Hence those projects that were submitted to the board before inflation may not be completed with the original budgeted cost necessitating need for variations and additional funding.

IMPLEMENTATION CHALLENGES AND SOLUTIONS

- Many projects delayed due to late disbursement of public funds. We hope that this will improve to enable us do the projects in time. We have however been able to utilize the funds adequately as they are disbursed by the Board
- There is also a challenge in the education funds set for bursary. The number of needy students within Hamisi constituency is too high compared to the available funds for the same. We wish to increase the amount allocated to bursary funds in the coming financial years.
- Getting Acknowledgement Receipts from the members of the Public when they are issued with bursary has been a challenge. We have been able to disburse combined cheque to those schools that are closer or where students are many in one school and this has enabled us get a few Bursary Acknowledgement Receipts and hence meet the requirements set for the same. We have also been doing civic education and awareness of the need for the bursary beneficiaries to bring back bursary acknowledgement receipts from the institutions once they have collected their cheques and taken them to schools.

Otherwise the impact of the NG-CDF kitty is felt in the constituency and we hope and pray that the fund lives longer and longer in order to impact positively more and more lives in Kenya.

Challenges and solutions

- Many projects delayed due to late disbursement of public funds. We hope that this will improve to enable us do the projects in time. We have however been able to utilize the funds adequately as they are disbursed by the Board
- There is also a challenge in the education funds set for bursary. The number of needy students within Hamisi constituency is too high compared to the available funds for the same. We wish to increase the amount allocated to bursary funds in the coming financial years.
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Otherwise the impact of the NG-CDF kitty is felt in the constituency and we hope and pray that the fund lives longer and longer in order to impact positively more and more lives in Kenya.

Way forward

As we appreciate the continued support from the National Government in making slight additions to the kitty, we however regrettably wish to say that it's not enough to assist the constituency make the rapid anticipated challenge of providing proper infrastructure for the education sector and security organs. The National Government should seriously consider the re-introduction of the poverty index scheme for the distribution of the national cake.

- It's common knowledge that there are certain pocket of regions in this country that have a high poverty index like Hamisi and they have to be jump started economically to catch up with region that have huge strides in matters development.
- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment.

We are also focused to ensure our constituency achieve the lowest regional and national crime indices



.....
Name: Dr. Isaiah Kipsang Rotich
Chairman NGCDF Committee



(k) Statement Of Performance Against Predetermined Objectives for FY2024/25

Introduction

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

The key development objectives of the *NGCDF Hamisi Constituency 2024-2027* plan are to:

- a) Education – The constituency will continue lobbying for increased interventions from the ministry of education, well-wishers and development partners and continue with community sensitization in areas with low enrolment/retention/transition rates to keep pupils/students in school.
- b) To ease Security – The constituency leadership will hold sensitization forums to ensure cohesiveness among communities residing in the constituency; construct offices to accommodate patrol bases and police/AP posts; construct administrators' offices (DCC, ACCs, Chiefs and Ass. Chiefs)
- c) Towards improving un-employment rates, efforts will be made to promote agri-business initiatives and value addition; empower the youth through skills and capacity transfer; promote recreational activities including games and sports and develop the capacity of women and youth through training on entrepreneurship, leadership and management. Efforts will be made to sensitize the youth on the importance of acquiring life skills, hence improving enrolment rates in tertiary institutions and at the same time lobby for the introduction of Middle-level colleges in Hamisi.
- d) To improve agricultural productivity. Concerted efforts will be made towards promoting farming and consumption of traditional food crops; promoting proper farming methods and crop management; enhance value addition and processing industries ;lobbying for revitalization of extension services; enhancing collaboration with stake holders; encouraging use of alternative inputs; improving infrastructure and market access; promoting adoption of proper farming methods ;promoting co-operative and marketing and societies and encouraging agro forestry to increase land under trees cover.
- e) On environmental sustainability, the constituency will organize tree planting days.

Progress on the attainment of Strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for

reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- Number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/2025 - Hamisi NG-CDF constructed 53 from 42 classrooms. It also constructed 4 dormitories from 3. It further constructed 6 laboratories from 3 laboratories and 7 administration block from 5 - Bursary beneficiaries at all levels were as follows:- Bursary Tertiary – 1945 students Bursary Secondary – 8,205 beneficiaries Bursary Special schools – 243 beneficiaries
Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office To have modern police stations and posts at the Constituency	Access to quality services Reduced crime rate	- number of usable physical infrastructure build at the locational levels Number of crimes reported	The NGCDFC constructed Gambogi Police Station completed, launched and handed over. Toilets and bathrooms were also constructed at the Banja chiefs office to completion

Environment	To have health and clean environment	Access to good health and sanitation	- Number of Indigenous trees planted Number of sanitary facilities constructed	During the financial year 2024-2025, Hamisi NGCDFC constructed 10-door exhaustible pit latrine. 2-doors will accommodate PWDs at Banja muslim Primary School, Friends Kaimosi Special School, Kitagwa Primary School and Kitagwa Secondary School, Friends Kaimosi Special School, Imusutsu Secondary School. The office also allocated Kshs. 100,000 at Simbi Primary School for planting of indigenous trees
Emergency	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	Number of unforeseen occurrences in the constituency	Hamisi NGCDF committee during the year Constructed modern ablution block for the Shamakhokho Divisional Headquarters after the recent toilets were sunken down by heavy rains. The Constituency also renovated the Tiriki East newly DCCs office that had been condemned by public health due to dilapidated state

(I) Governance Statement

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

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

- a) One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- b) Officer of the Board seconded to the constituency who is be the secretary of the selection panel
- c) Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG-CDF regulations require that one to serve as member of the NGCDF committee he or she must be;

- a) citizen of Kenya
- b) ordinarily resident voter of the constituency
- c) able to read and write and communicate in English and Kiswahili
- d) meet the chapter six of the constitution
- e) Available to participate in the activities of the constituency
- f) For youth nominee he or she must have attained age of 18 years but below age of 35yrs and
- g) For persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Appointment of NGCDF Members

- i. The formation of the NG-CDFC Members is guided by the NG-CDF Act Section 43(1) (2) (3) & (4).
- This procedure shall start upon receipt of the guidelines on formation of NG CDFC from the NG CDF Board,
 - The FAM shall write a letter to the DCC and Constituency Office Manager requesting for the nomination of members of the selection panel as per the guidelines and maintain
 - a record confirming receipt
 - The DCC shall nominate in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.

- The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.
 - The chair shall then convene the first selection panel meeting to document criteria for selection of the four members to the NG-CDFC (Male and female adults, male and female youth) and advertise (the applicants shall be given two weeks to submit their applications).
 - The FAM shall then write to the Constituency Office Manager requesting for the nomination of two persons of either gender as per the guidelines issued by the NG-CDF Board to be members of the NG-CDFC maintain a record confirming receipt
 - The Constituency Office Manager shall then nominate in writing the two members to the NG-CDFC.
 - The FAM shall write to a registered group representing people with disabilities in the constituency as per the guidelines as issued by the NG-CDF Board requesting for nomination of one person with disability to sit in the NG-CDF committee and maintain a record confirming receipt
 - The PWD organization shall nominate in writing a member to the NG-CDFC.
 - Applications are received at the NG-CDF office and recorded in the application register.
 - Within one week after the closure of the advertisement, the Selection panel shall convene to shortlist the suitable candidates as per the criteria in the advert. The successful candidates shall then be called for interviews within seven days.
 - The Selection panel shall hold the interviews of the invited candidates and come up with the final list of qualified nominees to the NG-CDFC.
 - The FAM shall then submit to the NG-CDF Board the report of the selection panel which includes seven nominees and the Nominee of the Board to the NG-CDFC as per the guidelines within seven days.
 - The FAM shall ensure that the timelines set out in the regulations are adhered to during the process of selection and appointment of NGCDF Committees
- ii. The selected members are forwarded to parliament through CEO of the board for purpose of gazettelement

- iii. Upon gazettelement the DCC or the FAM shall for the first meeting where the chairperson and secretary are elected

Process of Formation of the NGCDF Committee

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

The selection panel developed a short listing criterion which enabled identification of the nominees for interviews. Two additional nominees were proposed by Hamisi Constituency Office as per section 43 of the NG-CDF Act, 2015.

NO	NAME	CATEGORY	WARD
1.	Miss Joyce Mmaitzi Khasimwa	Female (Adult)	Shamakhokho
2.	Dr. Isaiah Kipsang Rotich	Male(Adult)	Tambua
3.	Mr. Bilventure Amulavu	Male(Youth)	Muhudu
4.	Mrs. Barbrah Shisanya	Female (youth)	Shiru

Nominee of the Body representing Persons with Disability

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIREMENT	WARD
1.	Mrs. Ruth Iravonga M.	Hamisi SHG	Physical	Banja

CO-opted member

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Mr. Ibrahim Amugongo	Male	Retired Military Officer	Gisambai

Nominee of the Constituency Office

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Mr. Owen Majani	Male	Businessman	Banja
2.	Mrs. Naomi Migide	Female	Social Worker	Jepkoyai

The list of the selected and recommended members was forwarded to the NG-CDF Board is as below.

Name	Category	Statutory Provision Under NG-CDF
Dr. Isaiah Kipsang Rotich	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)
Mr. Bilventure Amulavu	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)

Mrs. Barbrah Shisanya	Female Youth Representative	Appointment, Pursuant To Sect. 43(2)(C)
Miss Joyce Mmaiti Khasimwa	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(C)
Mrs. Ruth Iravonga M.	Representative Of Persons Living With Disabilities	Appointment, Pursuant To Sect. 43(2)(D)
Mr. Owen Majani	Male Youth Representative	Appointment, Pursuant To Sect. 43(2)(E)
Mrs. Naomi Migide	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(E)

The above committee was gazetted on 21st December, 2022 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXVII-No. 98

The members took over the office on the first meeting on 14th January 2023 and went through the process electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson - Dr. Isaiah Kipsang Rotich
2. Secretary - Miss Joyce Mmaiti Khasimwa

During its first meeting, a Constituency Committee established Sub-Committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board.

The two sub-committee are as follows:

- i. Bursary Sub Committee
- ii. Monitoring and evaluation Sub Committee

The following were appointed to the different committee

a. Bursary committee

1. Mr. Owen Majani - Chair
2. Silverius M. Wakoli - secretary

b. Monitoring and evaluation Sub Committee

1. Mr. Ibrahim Amugongo - Chair
2. Barbrah Shisanya - Secretary

The chairperson and the secretary are members of all the committees. The DCC is the member of the complaints committee, while representative from the ministry of education office is also co-opted to be in the Bursary committee.

The Secretary was later appointed By His Excellent, The President of Kenya, Dr. Wiliam Ruto as Kenyan Ambassador to Angola in the months of June 2024.

The NG-CDF tenure

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

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. The outgoing committee handed over the office on 8th July 2025 and the incoming committee became active immediately for a period of two years till 31st July 2027 as per the constituency guidelines.

Roles and functions of NG-CDFC

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

- Convene public meetings in every ward in the constituency to deliberate to on development matters.
- Deliberate on project proposals and any other projects considers beneficial to constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- 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
- Ensure that all projects receive adequate funding and are completed within three years.

- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- 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.
- Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- Enter into performance contracting with the Board on an annual basis.

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-

- (i) lack of integrity;
- (ii) gross misconduct;
- (iii) embezzlement of public funds;
- (iv) bringing the committee into disrepute through unbecoming personal public conduct;
- (v) promoting unethical practices
- (vi) causing disharmony within the committee;
- (vii) 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 ought to be removed shall be given a fair hearing before the resolution is made.

In Hamisi the NG-CDFC has found four (4) members to have contravened the laid down regulations and law to warrant removal. The due process is ongoing and the Board is yet to give its verdict.

Handing over

The handing over of office by the outgoing NG-CDF Committee to the incoming committee was carried out smoothly on 14th January 2023.

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as Strategic Planning & Performance Contracting Rationale for Strategic Planning & PC at NG-CDF, Complaints handling mechanism, Conduct of meetings and minute writing, Minutes files , Effective Communication and ICT Solutions, Brand Management, Project Cycle Management in NG-CDF operations , Technical aspects of Project Planning and Management, Architectural plan, Bill of Quantities description, interpretation and utilization in Project , Technical aspects of Project Planning and Management, Monitoring and Evaluation of NG-CDF Projects, Taxation in NG-CDF operations , Public Finance Management in NG-CDF Operations, Role of the committee in financial management. This enabled the committee to acquire knowledge and skills to ensure effective and efficient management of NG-CDF Hamisi.

Number of Meetings Held

According to the NG-CDF Act 2015, Section 43(1), the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Hamisi Constituency Held a total of 12 meetings in the financial year 2024-2025 and the attendance was as follows.

S N O	NG- CDFC COMMI TEE MEMBER S	3rd July 2024	15 th Aug 2024	11 th Oct 2024	15 th Oct 2024	24 th Nov 2024	04 th Dec 2024	09 th Jan 2025	06 th Feb 2025	07 th April 2025	19 th May 2025	26 th June 2025
1	Isaiah Kipsang- Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Owen Majani- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Ruth Iravonga- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

4	Babrah Shisanya -member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Bilventur e Amulavu -member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Naomi Migide-secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Ibrahim Amugon go-member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

- Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- Honesty and integrity-NGCDFC 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.
- Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2024/2025, most members of NGCDFC Hamisi adhered to the above ethical issues

Members Remuneration

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

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

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 NGCDFC Hamisi contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following: training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Hamisi has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

(m) Management Discussion and Analysis

The National Government Constituency Development Fund has been instrumental in Kenya's development. As it has allocated billions of shillings to various constituencies since its inception. Here's an overview of Hamisi NG-CDF operational and financial performance over the past five years.

Financial Year	Amount allocated	AMOUNT DISBURSED	EXPENDITURE
2020/2021	137,088,879	136,088,879	136,088,879
2021/2022	137,088,879	137,088,879	137,088,879
2022/2023	158,832,745	137,088,879	137,088,879
2023/2024	192,897,991	137,088,879	137,088,879
2024/2025	197,386,150	149,000,000	149,000,000

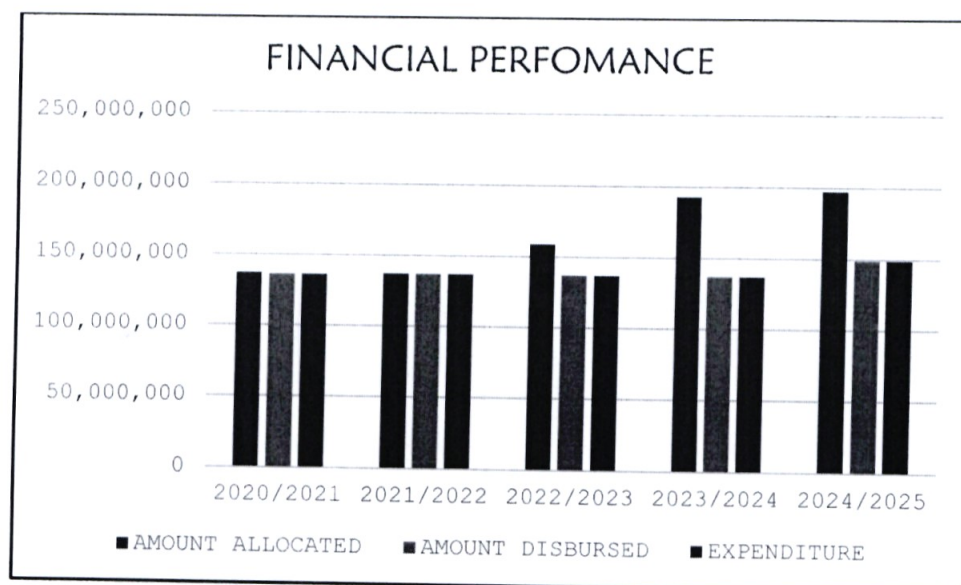


Figure 1. Hamisi NG-CDF Financial Performance

Operational Performance:

Hamisi NG-CDF has implemented various projects across the constituency, focusing on education, security, and infrastructure development.

The fund has been instrumental in

- a. Education: Funding schools, classrooms and bursaries
- b. Security: Constructing National Government Administration offices, chief's/assistant chief's offices and police offices.
- c. Infrastructure Development: Supporting various infrastructural projects.
- d. Climate Change Mitigation: Enhancing conservation and restoration of forests in the constituency.

The Key projects implemented or On-going.

1. Jeptulu Primary school

Background information of Jeptulu primary school

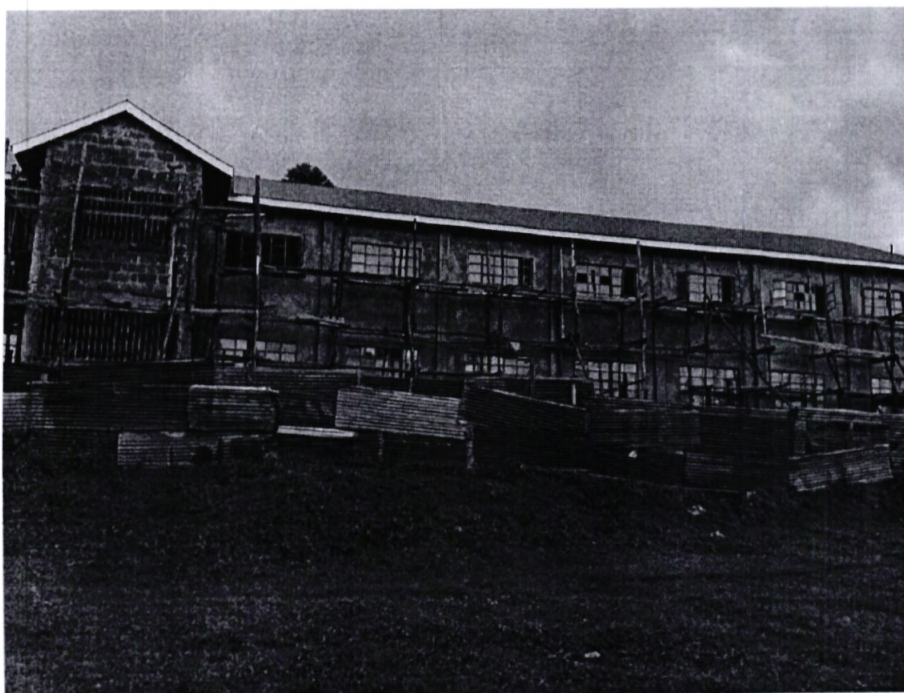
Jeptulu primary school is an old school situated in Shiru ward. It is a school with a rapid growing population. It has a small piece of land thus to save on space, Hamisi NG-CDF built a storey building for classrooms.

Activities done

- i. Construction to completion of one storey building consisting of eight classrooms.

Anticipated Project Impact

1. The project has led to improved learning environment to learners.



Jeptulu Primary School

Compliance with statutory requirements

Hamisi NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NGOCDF Act 2015, PFM Act 2012, PPADA2015 and many other relevant laws and has been in full compliance of the same.

Hamisi NG-CDF has been able to meet its obligations for instance payment of taxes like VAT withholding tax, Pay as you Earn tax, housing levy, NITA tax among others and the constituency is committed to operate within the law even in the future.

2. Gambogi Police Station

Background information of Hamisi Police Station

Hamisi Police Station was started in the year 2023.

Location

This project is situated at Tambua, in Gimarakwa Sub-location, Tambua Ward.

Activities done

Construction of Modern police station

i. Summary of funding for the Gambogi Police Station:

Anticipated Project Impact

1. Increased security of Luanda south ward within constituency
2. Improved economic Performance of within locality of the project



Gambogi Police Station

Major Risks facing the Fund

Despite its successes, NG-CDF faces challenges such as:

1. Delayed Disbursement of funds- NG-CDF has faced challenges with delayed disbursement of funds from National Treasury, which affects project implementation and service delivery
2. Inadequate Budget Allocation- The funds allocation is based on the percentage of the national revenue, which may not be sufficient to meet the development needs of constituencies.
3. Fiscal pressure- The country's fiscal pressure such as debt repayment can impact availability of funds for NG-CDF
4. Institutional Challenges- NG-CDF faces institutional challenges that hinder effective utilization of funds, including inadequate monitoring and evaluation.

Fund's Review on Economy

NG-CDF has been a crucial factor in Kenya's economic development, particularly at the grassroots level. Here's a review of its economic impact:

- Funding Allocation- NG-CDF allocates funds directly to constituencies, supporting local development projects in education, infrastructure, and other essential services.
- Development projects: The fund has implemented various projects including construction of schools improving living standards and access to basic services.
- Economic Growth: By investing in local projects, NG-CDF contributes to economic growth, job creation, and poverty reduction in constituencies.

Future Development of the Fund

NG-CDF in Kenya is expected to continue focusing on key areas like education, infrastructure, and economic empowerment with a growing emphasis on digital literacy and sustainable development.

The fund will expand its reach through initiatives like constituency innovation hubs and digital hubs at the ward level to enhance access to online opportunities and improve efficiency through automation.

NG-CDF is involved in tree planting projects highlighting a growing focus on environmental sustainability.

Projects like police offices, provision of bursaries, construction of educational infrastructure, demonstrate a commitment to community development, improve security, support students' education, and improve public service.

It also partners with National Health Insurance Fund to provide health insurance to vulnerable households contributing to government's universal health coverage goals.



.....
Name: Mr. Silverius M. Wakoli
Fund Account Manager



(n) Environmental and Sustainability Reporting

Environmental issues, particularly climate change mitigation, have been prioritized as a key government agenda. The recent amendment to the NG-CDF Act 2022, which increased the allocation for climate change mitigation activities from 2% to 5%, ensures that this objective is met through the NG-CDF Fund. In the 2023-2024 financial year, Hamisi NG-CDF allocated Kshs. 100,000.00 for tree planting initiatives at Simbi Primary School within the constituency.

1. Sustainability strategy and profile -

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

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

2. Environmental performance

Environmental care is one of the main responsibilities Hamisi NG CDF has taken care of. We undertake this by observing the following;

- Managing and disposing all wastes in acceptable manner.
- Complying with all relevant environmental legislation, regulation and accepted practice.
- Providing regular training to the NGCDFC and staff so that they can keep the environment safe.
- Monitoring and continuously improving environmental performance.
- Supporting the establishment of tree nurseries and purchasing seedling and their planting.
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Developing our management processes to ensure that environmental factors are considered during planning and implementation

3. Employee welfare

We invest in providing the best working environment for our employees. Hamisi constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Hamisi 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.

(o) Statement Of Management Responsibilities

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

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

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



.....
Name: Dr. Isaiah Kipsang Rotich
Chairman – NGCDF Committee



.....
Name: Mr. Silverius M. Wakoli
Fund Account Manager



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-

Hamisi Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Hamisi 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

Hamisi 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.

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



.....
Name: Mr. Silverius M. Wakoli
Fund Account Manager.



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - HAMISI 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-Hamisi Constituency set out on pages 1 to 74, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

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-Hamisi Constituency at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022), Public Finance Management Act, 2012 and The National Treasury Circular No.3 of 14 April, 2025).

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of cash flows reflects net cash flows from operating activities of Kshs.29,929,648 for the year ended 30 June, 2025 which differs with recomputed amount of Kshs.29,979,648 resulting to an unexplained variance of Kshs.50,000. Further, the statement of financial position reflects an amount of Kshs.105,182,652 described as revaluation reserve, but the amounts relate to accumulated surplus.

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

2. Variances in the Financial Statements

The statement of financial performance and as disclosed in Note 12 to the financial statements reflect an amount of Kshs.7,673,001 in respect of use of goods and services which includes an insurance cost amounting to Kshs.30,562. However, the supporting ledger reflects an amount of Kshs.182,869 resulting to unreconciled variance of Kshs.152,307. Further, other grants and transfers as disclosed in Note 14 to the financial statements reflect an amount of Kshs.52,743,534 which differs with ledger amount of Kshs.53,081,890 resulting to a unreconciled variance of Kshs.338,356.

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

3. Inaccuracies in Statement of Cash Flows and Statement of Comparison of Budget and Actual Amounts.

The statement of cash flows reflects an amount of Kshs.207,444,724 in respect of transfers from NG-CDF Board which varies with the statement of comparison of budget and actual amounts of Kshs.235,331,482 resulting to an unreconciled variance of Kshs.27,886,758. The amount also varies with the statement of financial

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

performance of Kshs.197,386,150. Further, the statement of cash flows reflects use of goods and services of Kshs.7,673,001. However, the amount is at variance with the actual amounts on comparable basis of Kshs.7,925,308 resulting in an unreconciled variance of Kshs.252,307. In addition, the statement of cash flows reflects other grants and transfers of Kshs.53,071,512. However, the statement of comparison of budget and actual amounts reflects an amount of Kshs.52,743,534 resulting to an unexplained variance of Kshs.327,978.

In the circumstances, the accuracy and completeness of the financial statements 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-Hamisi 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 receipts budget and actual on comparable basis of Kshs.283,717,632 and Kshs.235,331,482 respectively resulting to an under-receipt of Kshs.48,386,150 or 17% of the budget. Similarly, the Fund spent Kshs.177,465,076 out of the approved budget of Kshs.235,331,482 resulting to an under expenditure of Kshs.106,252,556 or 45% of the approved budget.

The under-funding and under-expenditure may impact negatively on delivery of services to the intended recipients.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the College in 2024/2025 revealed that the following eight (8) issues remained unresolved:

No.	Financial Year	Matter
1.	2023-2024	Unsupported Project Management Committee Bank Balances
2.	2023-2024	Unsupported Transfers from NGCDF Board
3.	2023-2024	Unsupported Committee Expenses
4.	2023-2024	Budgetary Control and Performance
5.	2023-2024	Other Matters
6.	2023-2024	Irregular Allocation of Bursaries
7.	2023-2024	Construction of Administration, Tuition and Laboratory Block at Lwombei Secondary School
8.	2023-2024	Failure to Update the Fixed Assets Register

Other Information

The Management responsible for the Other Information set out on page iv to xxxviii which comprise of Key Entity Information and Management, Chairman's Statement, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, 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. Long Outstanding Receivables from Non-Exchange Transactions

The statement of financial position and as disclosed in Note 21 to the financial statements reflects receivables from non-exchange transaction balance of Kshs.48,386,150. The balance decreased by Kshs.10,058,574 or 17% from a closing

balance of Kshs.58,444,724 as at 30 June, 2024. However, the total receivables still remain outstanding for over two (2) years as per the ageing analysis provided. The long outstanding receivables affected the funds cashflow and effective service delivery.

In the circumstances, failure by the NGCDF board to disburse the grants affected the planned activities and may have impacted negatively on service delivery to the public.

2. Construction of One Storied 5-No Classroom, Bookstore, Library, Science Laboratory and Administration Block

The Management awarded a company a contract for construction of one storied 5-no classroom, bookstore, library, science laboratory and administration block at Gamalenga Primary School at a contract sum of Kshs.33,086,935 for a contract period of six (6) months or 24 weeks commencing on 28 December 2023. The contractor requested for a variation of the period from June 2024 to February 2026 which was an additional twenty months from the original completion period which was approved by the Chairman of the of Board Management. However, the contract was extended but the recommendation of the evaluation committee was not provided for audit. This is contrary to Section 139(2) of the Public Procurement and Asset Disposal Act, 2015, which provides that an Accounting Officer of a procuring entity, on the recommendation of an evaluation committee, may approve the request for the extension. No proper justification has been provided by the Contractor on reasons of extending the period significantly.

In the circumstances, value for money has not been realized with the continued delay in completion of the project.

3. Construction of Multipurpose Hall with One-Storied Library Block

Review of contract documents revealed that Management awarded a contract for construction of multipurpose hall with one-storied library block at Kapsotik Secondary School at a contract sum of Kshs.8,743,616 for a contract period of one hundred and twenty (120) days after site handover commencing on 23 September, 2019. Review of payment documents revealed that six (6) years had lapsed and Management had paid Kshs.8,200,000 or 70% of the contract sum vide interim certificates 1, 2 and 3. Further, physical verification of the site in November, 2025 revealed that the contractor had abandoned the site before completion of the project and without any handing over report. This was contrary to Section 151 2(a) & (b) of the Public Procurement and Asset Disposal Act 2015 states that the accounting Officer shall be responsible for monitoring the performance of the contractor, to ensure that all delivery or performance obligations are met or appropriate action taken by the procuring entity in the event of obligations not being met.

In the circumstances, value for money incurred in the project of Kshs.8,200,000 could not be confirmed.

4. Poor Workmanship in Construction of Exhaustible Latrine

Review of documents revealed that Management awarded a contract for construction of 10 no. doors exhaustible latrine 2 No. door for PLWD at Kakabudu Primary school

at a contract sum of Kshs.1,500,035. However, physical inspection conducted in November 2025, revealed that the latrine was in a poor state and the walls have started chipping off indicating poor workmanship. This is contrary to Section 151 2(a) & (b) of the Public Procurement and Asset Disposal Act 2015 states that the accounting Officer shall be responsible for monitoring the performance of the contractor, to ensure that all delivery or performance obligations are met or appropriate action taken by the procuring entity in the event of obligations not being met; ensure that there is right quality and within the time frame, where required.

In the circumstances, value for money on expenditure amount of Kshs.1,500,035 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Unconfirmed Value of Fixed Assets

The fixed asset register provided for audit review reflects fixed assets with a total historical cost of Kshs.12,152,310. However, Management did not provide evidence to confirm that assets whose value may have significantly changed over thirteen (13) years since acquisition were revalued. Further, review of the assets register revealed that computers, printers, photocopier and CDF Office were fully depreciated at a value totalling Kshs.3,304,040 which were still in use but not revalued.

In the circumstances, the effectiveness of asset management by the Fund during the year under review 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

04 December, 2025

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

(q) Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	197,386,150
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		197,386,150
Expenses		
Employee costs	10	4,848,018
Committee expenses	11	5,040,000
Use of Goods and Services	12	7,673,001
Other Government Units Actual expenditure	13	104,679,566
Other Grants and Transfers Actual expenditure	14	53,071,512
Depreciation and amortization expense	15	381,778
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		175,693,873
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		21,692,276

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

Chairman NG-CDF
Committee

Name: Dr. Isaiah R. Kipsang

National Sub-County
Accountant

Name: Mrs. Susan Simiyu
ICPAK M/No: 17148

Fund Account Manager

Name: Mr. Silverius Wakoli



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

(r) Statement Of Financial Position As At 30th June, 2025

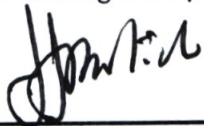
	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	57,866,406	27,886,758
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	48,386,150	58,444,724
Prepayments	22	152,308	-
Total Current Assets		106,404,863	86,331,482
Non-Current Assets			
Property, Plant and Equipment	23	2,095,902	2,477,680
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		2,095,902	2,477,680
Total Assets (A)		108,500,765	88,809,162
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	3,318,114	3,265,347
Lease Liabilities	28	-	-
Gratuity Provision	29	-	2,053,440
Total Current Liabilities		3,318,114	5,318,787
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		3,318,114	5,318,787
Net Assets (A-B)		105,182,652	83,490,375
Represented by:			
Revaluation Reserves		-	-
Accumulated Surplus		105,182,652	83,490,375
Total Net Assets		105,182,652	83,490,375

National Government Constituencies Development Fund (NGCDF)

Hamisi Constituency

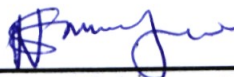
Annual Report and Financial Statements for The Year Ended June 30, 2025

The Constituency financial statements set out on pages 1 to 74 approved by NG CDFC on _____
2025 and signed by:



Chairman NG-CDF
Committee

Name: Dr. Isaiah R. Kipsang



National Sub-County
Accountant

Name: Mrs. Susan Simiyu
ICPAK M/No: 17148



Fund Account Manager

Name: Mr. Silverius Wakoli



(s) Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	12,147,891	-	12,147,891
Adjustments			
Recognition of Assets	76,661,271	-	76,661,271
Recognition of Liabilities	5,318,787	-	5,318,787
As at July 1, 2024	83,490,375	-	83,490,375
Surplus/(Deficit) For the Period	21,692,276	-	21,692,276
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	105,182,652	-	105,182,652

(t) Statement Of Cash Flows for The Year Ended 30th June 2025

	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		207,444,724
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		207,444,724
Payments		
Employee costs		6,901,458
Committee expenses		5,040,000
Use of Goods and Services		7,925,308
Other Government Units Certified Works		104,854,777
Other Grants and Transfers		52,743,534
Digital Hubs Expenses		-
Total Payments		177,465,076
Net Cash Flows from/ (used in) Operating Activities	30	29,929,648
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		29,929,648
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		29,929,648
Cash and cash equivalents at 1 July	19	27,886,758
Cash and cash equivalents at 30 June 2025	19	57,866,406

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

(u) Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	197,386,150	27,886,758	283,717,632	235,331,482	235,331,482	48,386,150	83%
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
Totals	197,386,150	27,886,758	283,717,632	235,331,482	235,331,482	48,386,150	83%
Expenses							
Employee costs	6,630,000	2,632,765	9,262,765	9,262,765	6,901,458	2,361,308	75%
Committee expenses	3,628,000	1,435,627	5,063,627	5,063,627	5,040,000	23,627	100%
Use of Goods and Services	7,270,000	697,780	7,967,780	7,967,780	7,925,308	42,472	98%
Other Government Units Certified Works	123,933,138	22,488,769	200,110,873	200,110,873	104,854,777	95,256,096	52%
Other Grants and Transfers	55,925,012	517,126	61,197,896	61,197,896	52,743,534	8,454,363	86%
Digital Hubs Expenses	-	-	-	-	-	-	-

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Acquisition of Assets	-	89,690	-	89,690	-	89,690	-
Others	-	25,000	-	25,000	-	25,000	-
Funds Pending Approval**	-	-	-	-	-	-	-
Total Expenditure	197,386,150	27,886,758	283,717,632	235,331,482	177,465,076	106,252,556	63%
Surplus for the period	-	-	-	-	57,866,406	(57,866,406)	

Explanatory Notes.

The underutilization under Employee costs 75%, other government units certified works 52% and other grants and transfers 86% was as result of late disbursement of funds from the exchequer

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	106,252,556
Less undisbursed funds receivable from the Board as at 30 th June 2025	48,386,150
Cash and Cash Equivalents at the end of the 30 th June 2025	57,866,406

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:

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



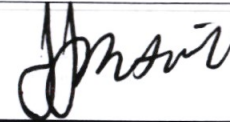
Fund Account Manager

Name: Mr. Silverius M. Wakoli



National Sub-County Accountant

Name: Mrs. Susan N. Simiyu
ICPAK M/No: 17148



Chairman NG-CDF Committee

Name: Dr. Isaiah Kipsang Rotich



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

(v) Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,630,000	2,632,765	-	9,262,765	6,901,458	2,361,308
1.2 Committee allowances	1,868,000	485,300	-	2,353,300	2,345,000	8,300
1.3 Use of goods and services	3,120,000	591,159	-	3,711,159	3,678,508	32,651
Sub-total	11,618,000	3,709,224	-	15,327,224	12,924,966	2,402,259
2.0 Monitoring and evaluation						
2.1 Capacity building	2,550,000	54,650	-	2,604,650	2,561,800	42,850
2.2 Committee allowances	1,760,000	950,327	-	2,710,327	2,695,000	15,327
2.3 Use of goods and services	1,600,000	51,971	-	1,651,971	1,585,000	66,971
Sub-total	5,910,000	1,056,948	-	6,966,948	6,841,800	125,148
3.0 Emergency						
Unutilized	829,362	117,381	-	946,742	-	946,742
Makuchi Primary School	180,000	-	-	180,000	176,530	3,470
Kakubudu Primary School	880,000	-	-	880,000	877,664	2,336
Serem Police Station	1,000,000	737	-	1,000,737	999,717	1,020
Gambaragai ADC Pri. School	400,000	1,497	-	401,497	400,656	841
Malinda Secondary School	500,000	706	-	500,706	500,000	706

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Senende Primary School	200,000	-	-	200,000	197,051	2,949
Friends Kaimosi Primary School	100,000	-	-	100,000	98,000	2,000
Shamakhokho Divisional Headquarters	4,100,000	-	-	4,100,000	3,990,000	110,000
Hamisi NG-CDF office	1,519,600	-	-	1,519,600	1,519,600	-
Shaviringa Divisional HQs	679,783	-	-	679,783	611,805	67,978
Sub-total	10,388,745	120,320	-	10,509,065	9,371,023	1,138,042
Sub-total						
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	-	-	-	-	-	-
4.3 Tertiary Institutions	20,000,000	388,329	3,855,758	24,244,087	24,218,701	25,386
4.4 Universities	18,000,000	-	-	18,000,000	13,651,596	4,348,404
4.5 Social Security	2,000,000	169	800,000	2,800,169	1,952,300	847,869
Sub-total	40,000,000	388,498	4,655,758	45,044,256	39,822,597	5,221,659
5.0 Climate Change Mitigation						
Gisambai Primary School	100,000	-	-	100,000	-	100,000
Simbi Primary School	-	-	100,000	100,000	-	100,000
Sub-total	100,000	-	100,000	200,000	-	200,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.0 Primary Schools Projects						
Bahati Primary School	-	514	1,000,000	1,000,514	931,644	68,870
Banja Muslim Primary School	2,200,000	14,819	2,400,000	4,614,819	3,551,798	1,063,021
Bishop Chabuga Primary Viyalo	400,000	3,242	-	403,242	401,908	1,334
Bumbo Primary School	-	443	-	443	-	443
Bumira Primary School	4,200,000	2,744	500,000	4,702,744	2,025,656	2,677,088
Bumuyange Primary School	-	2,475	746,733	749,208	638,509	110,699
Butiti Primary School	-	1,504	1,300,000	1,301,504	1,296,070	5,434
Buyangu Primary School	-	62	2,400,000	2,400,062	2,396,840	3,222
Chebunaywa Primary School	1,500,000	196	3,000,000	4,500,196	2,975,954	1,524,242
Chepsaga Primary School	-	1,087	-	1,087	-	1,087
Cheptech Primary School	-	7,857	-	7,857	-	7,857
Cheptembu Primary School	-	4,757	-	4,757	1,656	3,101
Dr. Gimose Ikonza ADC Pri.	11,130,017	2,629,452	-	13,759,469	7,535,651	6,223,818
Egemeni Primary School	1,116,005	325,777		1,441,782	1,330,974	110,808
Friends Kaimosi Pri. School	-	18,409	-	18,409	-	18,409
Friends Kaimosi Special School	1,500,000	5,110	-	1,505,110	1,430,668	74,442
Friends Primary School Givogi	2,400,000	1,513	-	2,401,513	2,285,113	116,400
Friends Special School Givavei	2,939,236	4,591	-	2,943,827	1,656	2,942,171

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Galona Primary School	-	8,739	600,000	608,739	601,908	6,831
Gamalenga Primary School	9,000,000	328,854	-	9,328,854	3,596,931	5,731,923
Gamuguywa Primary School	-	2,995	-	2,995	1,656	1,339
Gavudunyi Primary School	-	3,594		3,594	1,530	2,064
Gidimo Primary School	-	63,315	1,200,000	1,263,315	1,262,160	1,155
Gimarakwa Primary School	2,467,133	1,008,536	-	3,475,669	816,178	2,659,491
Gimarian Primary School	2,847,330	1,287,715	-	4,135,045	151,656	3,983,389
Gimomoi Primary School	-	768	-	768	-	768
Gisambai Primary School	-	1,849	-	1,849	1,404	445
Givogi Primary School	-	820,220	-	820,220	816,782	3,438
Givole Primary School	-	705,462	-	705,462	1,404	704,058
Givudemesi Primary School	-	50,829	-	50,829	50,504	325
Goibei Primary School	-	897	-	897	-	897
Isikhi Primary School	500,000	1,627	3,000,000	3,501,627	1,300,176	2,201,451
Itovo Primary School	4,000,000	-	-	4,000,000	-	4,000,000
Ivola Primary School	-	5,482	-	5,482	-	5,482
Jeb labuk Primary School	-	985	-	985	-	985
Jebrongo Primary School	2,600,000	1,752,118	3,000,000	7,352,118	2,604,597	4,747,522
Jepkoyai Primary School	-	3,975	-	3,975	-	3,975

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Jeptorol Primary School	-	4,872	-	4,872	4,782	90
Jeptulu Primary School	9,000,000	697,950	1,000,000	10,697,950	7,926,869	2,771,081
Jinjini Primary School	-	12,140	-	12,140	-	12,140
Kabinjari Primary School	-	5,682	-	5,682	-	5,682
Kaimosi Demo Primary School	3,300,000	854	-	3,300,854	2,535,386	765,468
Kakubudu Primary School	1,500,000	3,487	-	1,503,487	1,500,900	2,587
Kamuluguywa Primary School	700,000	315	2,000,000	2,700,315	1,999,600	700,715
Kapchemgung Primary School	-	2,093	-	2,093	1,782	311
Kapchorwa ADC Prim. School	-	1,935	2,946,733	2,948,668	1,901,404	1,047,264
Kapkoi Primary School	1,500,000	350,243	-	1,850,243	1,465,807	384,436
Kapsaoi Primary School	3,500,000	469,420	2,000,000	5,969,420	2,004,055	3,965,365
Kapsegeli Primary School	-	285	-	285	-	285
Kapsoi Primary School	-	301	1,000,000	1,000,301	999,993	308
Kapsotik Primary School	-	727	-	727	378	349
Kaptieni Primary School	-	904	-	904	-	904
Kaptis Primary School	-	655	-	655	-	655
Kimarani Primary School	-	1,050,284	-	1,050,284	1,000,030	50,254
Kinu Primary School	-	228	1,000,000	1,000,228	2,252	997,976
Kipsigor Primary School	-	4,625	-	4,625	1,530	3,095

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kitagwa Primary School	-	1,387	-	1,387	-	1,387
Kitambazi Primary School	-	502,096	-	502,096	499,280	2,816
Logere Primary School	-	1,398	1,303,000	1,304,398	1,284,700	19,698
Logere Primary School	-	19,698	1,000,000	1,019,698	500,932	518,766
Luther Primary School		22,728	2,400,000	2,422,728	2,399,452	23,276
Madeya Primary School	-	2,025	-	2,025	-	2,025
Mahanga Primary School	3,000,000	2,784	2,400,000	5,402,784	497,366	4,905,418
Makuchi Primary School	800,000	1,166	-	801,166	797,366	3,800
Malinda Primary School	-	261,449	-	261,449	259,454	1,995
Muhaya Primary School	3,150,000	365,452	-	3,515,452	311,656	3,203,796
Muhudu Primary School	-	3,422	-	3,422	-	3,422
Mukisangula Primary School	-	661,510	-	661,510	660,039	1,471
Munzatsi Primary School	-	1,050	-	1,050	-	1,050
Musasa Primary School	-	501	2,000,000	2,000,501	1,900,378	100,123
Museywa Primary School	-	149,706	-	149,706	2,034	147,672
Musiri Primary School	-	5,270	-	5,270	-	5,270
Musunji Primary School	2,983,417	83,900	-	3,067,317	2,699,777	367,540
Mutave Primary School	1,400,000	2,791	-	1,402,791	1,400,588	2,203
Mutiva Primary School	-	1,097	-	1,097	-	1,097

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Muyere Primary School	-	501,056	-	501,056	-	501,056
Mwanzo ADC Primary School	-	845	900,000	900,845	900,470	375
Nyang'ori Primary School	-	34,601	-	34,601	-	34,601
Saride Primary School	-	55,013	-	55,013	1,530	53,483
Senende Primary School	-	1,620,478	-	1,620,478	1,591,609	28,869
Shamalago Primary School	-	12,651	1,700,000	1,712,651	1,700,503	12,148
Shikomoli Primary School	-	523	-	523	252	271
Siekuti Primary School	-	305	-	305	-	305
Simbi Primary School	-	260	-	260	-	260
Virembe Primary School	1,500,000	-	-	1,500,000	1,479,390	20,610
Virhembe Primary School	3,500,000	158,262	1,092,500	4,750,762	4,750,262	500
Zululu Primary School	5,600,000	603	-	5,600,603	2,796,633	2,803,970
Sub-total	90,233,138	16,153,537	41,888,966	148,275,641	85,789,421	62,486,220
7.0 Secondary Schools Projects						
Bishop Sulumeti Girls - Hamisi	-	305	-	305	-	305
Bumuyange Secondary School	-	48,512	-	48,512	-	48,512
Chepsaga Secondary School	-	800,000	-	800,000	-	800,000
Dr. Gimose Sec School Jeviriri	-	3,260	-	3,260	-	3,260

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Gamalenga Secondary School	-	3,830	-	3,830	2,808	1,022
George Khaniri Sec. Jepkoyai	-	70,463	-	70,463	-	70,463
Gimarian Secondary School	-	3,830	2,000,000	2,003,830	-	2,003,830
Gimengwa Secondary School	-	955,744	1,200,000	2,155,744	-	2,155,744
Givole Secondary School	-	867	-	867	504	363
Imusutsu Secondary School	200,000		-	200,000	198,000	2,000
Kaimosi Demo Sec. School	-	213,675	-	213,675	-	213,675
Kapchemgung Sec. School	400,000	1,530	-	401,530	400,580	950
Kapsotik Secondary School	2,000,000	1,002,444	500,000	3,502,444	955,537	2,546,907
Kisasi Secondary School	-	965	-	965	-	965
Kitagwa Secondary School	1,500,000	297	1,000,000	2,500,297	1,493,390	1,006,907
Lwombei Secondary School	15,300,000	893,551	4,000,000	20,193,551	4,909,865	15,283,686
Muhaya Secondary School	-	53,079	1,900,000	1,953,079	52,709	1,900,370
Muhudu Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Muhudu Secondary School	12,300,000	2,267,296	-	14,567,296	10,553,026	4,014,270
Munzatsi Secondary School	-	2,168	-	2,168	-	2,168
Musiri Secondary School	-	1,256	-	1,256	-	1,256
Simbi Secondary School	-	991	-	991	504	487
St. Annes Buyangu Girls High	-	5,480	500,000	505,480	496,777	8,703

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	Kshs	Kshs	Kshs
St. Veronicah Girls High Sch.	-	5,688	700,000	705,688	1,656	704,032
Sub-total	33,700,000	6,335,231	11,800,000	51,835,231	19,065,356	32,769,876
8.0 Tertiary institutions Projects						
8.1	-	-	-	-	-	-
8.2	-	-	-	-	-	-
8.3	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
9.0 Security Projects						
Ass. Chief Office Kipchekwen	-	389		389	-	389
Banja Chiefs Office	1,100,000	-	-	1,100,000	1,099,085	915
DCC Hamisi	-	2,465	-	2,465	-	2,465
Gambogi Police Station.	2,600,000	4,511	-	2,604,511	2,600,829	3,683
Hamisi Civil Registration Office	929,308	-	-	929,308	-	929,308
Hamisi Civil Registration Office	608,159	-	-	608,159	-	608,159
Hamisi Registration of Persons office	198,800	-	-	198,800		198,800
Serem Police Station	-	-		-	-	-
Shaviringa Divisional HQs	-	737		737	-	737
Tambua DOS office	-	206		206	-	206

National Government Constituencies Development Fund (NGCDF)

Hamisi Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	5,436,267	8,308	-	5,444,575	3,699,914	1,744,662
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)	-	84,690	-	84,690	-	84,690
10.2 Construction of CDF office	-	-	-	-	-	-
10.3 Purchase of furniture and equipment	-	-	-	-	-	-
10.4 Purchase of computers	-	-	-	-	-	-
10.5 Purchase of Solar Backup System	-	5,000	-	5,000	-	5,000
Sub-total	-	89,690	-	89,690	-	89,690
11.0 Digital Hubs						
Construction/ renovation /Actual Expenditure	-	-	-	-	-	-
Digital Hub utility costs Water, Electricity,	-	-	-	-	-	-
Maintenance of ICT equipment	-	-	-	-	-	-
Maintenance of building	-	-	-	-	-	-
Others	-	-	-	-	-	-
Sub total	-	-	-	-	-	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.0 Others						
12.1 Strategic Plan	-	25,000	-	25,000	-	25,000.00
12.2						
Sub total	-	25,000	-	25,000	-	25,000.00
13.0 Funds pending approval**						
13.1 Unapproved projects						
13.2 AIA						
13.3						
Sub-total	-			-		-
Total	197,386,150	27,886,758	58,444,724	283,717,632	177,515,076	106,202,556

(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)

(w) 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 Hamisi Constituency principal activity is principal activity is to fund and implement grassroots development projects in education, security, climate change, security and bursary to needy and vulnerable students.

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 Luanda 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 Hamisi has recognised all financial assets, including cash and cash equivalent 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 the intangible assets acquired during the financial year 2023/2024 up to the reporting dates.

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

The recognition of all the 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 and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. Not applicable
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. Not applicable
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue

	under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. Not applicable
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. Not applicable
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. Not applicable
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognize Not applicable

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

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.

b) 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.

c) 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.

d) 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.

e) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

f) 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*.

g) 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

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) Comparative figures

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

p) 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.

6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	197,386,150
Total	197,386,150

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

	2024-2025
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere	-
Total	-

10. Employees cost

	<i>2024-2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,522,173
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	-
Employer Contributions Compulsory national social security schemes	255,300
Employer Contributions Compulsory Housing levy	66,645
Employer contributions to National Industrial Training Authority	3,900
Other	-
Total	4,848,018

11. Committee Expenses

	<i>2024-2025</i>
	Kshs
Sitting allowance	2,345,000
Other Committee expenses	2,695,000
Total	5,040,000

12. Use of Goods and services

	2024-2025
	Kshs
Utilities, supplies and services	62,973
Communication, supplies and services	232,920
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	2,561,800
Hospitality supplies and services	700,000
Insurance costs	182,869
Specialized materials and services	-
Office and general supplies and services	2,751,840
Fuel, oil & lubricants	900,000
Bank charges	47,706
Routine maintenance – vehicles and other transport equipment	385,200
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	7,825,308

13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	85,614,210
Secondary Schools Actual expenditure	19,065,356
Tertiary Institutions Actual expenditure	-
Total	104,679,566

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14. Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	24,218,701
Bursary – tertiary institutions	13,651,596
Bursary – special schools	1,952,300
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	3,699,914
Climate change mitigation projects	-
Emergency projects Actual expenditure	9,221,023
Roads projects Actual expenditure	-
Others	-
Total	52,743,534

15. Depreciation and Amortization Expenses

Description	2024-2025
	Kshs
Property Plant and Equipment	381,778
Intangible Assets	-
Total	381,778

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Operations account pending closure</i>	N/A	N/A
<i>Equity Mbale Acc. 0960285033842 (Deposit account)</i>	327,978	2,153,440.00
<i>Name of Bank, account No. (PMC's account)</i>	42,051,079	13,585,427.34
<i>KCB Mbale Acc. 1102380598 (Operations account)</i>	15,487,349	12,147,890.51
Total	57,866,406	27,886,758
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations	-	-
Total	-	-

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

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

21. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	48,386,150		58,444,724.00	
Outstanding imprest	-		-	
Total	48,386,150		58,444,724	
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	58,444,724	100%
Between 1-2 years	48,386,150	1.00	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	48,386,150	100%	58,444,724	100%

22. Prepayments

Description	2024-2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	152,308		-	
Prepaid Electricity Costs	-		-	
Other Prepayments	-		-	
Total	152,308		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	25%	20%	0.13%	30%			
Cost	Kshs	Kshs	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	1,030,775	315,310	1,095,000	500,000	-	-	-	2,941,085
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	1,030,775	315,310	1,095,000	500,000	-	-	-	2,941,085
Depreciation And Impairment									
Opening bal accumulated depreciation 1 st July 2024		103,078	78,828	219,000	62,500	-	-	-	463,405
Depreciation	-	92,770	59,121	175,200	54,688	-	-	-	381,778
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June 2025		195,847	137,948	394,200	117,188	-	-	-	845,183
Net Book Values									
Opening Bal as at 1st July 2024	-	927,698	236,483	876,000	437,500	-	-	-	2,477,680
As At 30th June 2025	-	834,928	177,362	700,800	382,813	-	-	-	2,095,902

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.

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	137,948	(137,948)
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	137,948	(137,948)

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

26. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	486,496		-	
Other payables	-		-	
Total trade and other payables	-		-	
Aging analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	2024-2025	100%	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-	-	-	-

27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
Retention as at 1 st July (A)	3,265,347	-
Retention held during the year (B)	4,395,610	3,265,347
Retention paid during the Year (C)	4,342,843	-
Closing Retention as at 30th June D= A+B-C	3,318,114	3,265,347

Retentions aging analysis.

	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	3,318,114	100%	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	3,318,114		-	-

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Opening Statement
		1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the year 1 st of July	2,053,440	-
Gratuity held during the year	-	2,053,440
Gratuity paid during the year	2,053,440	-
Total Gratuity Provision 30th June (A+B-C)	-	2,053,440

30. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the period before tax	21,692,276
Adjusted for:	
Depreciation	381,778
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	(9,906,267)
Changes in deferred income	-
Changes in Third party deposits	2,053,440
Changes in gratuity provision	-
Changes in payments received in advance	-
Net cash flow from operating activities	29,545,103

31. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	48,386,150	48,386,150	-	-
Bank balances	57,866,406	57,866,406	-	-
Total	106,252,556	106,252,556	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	58,444,724	58,444,724	-	-
Bank balances	27,886,758	27,886,758	-	-
Total	86,331,482	86,331,482	-	-

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. 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	-	-	3,318,114	3,318,114
Total	-	-	3,318,114	3,318,114
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings				
Provisions	-	-	3,265,347	3,265,347
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
Total	-	-	3,265,347	3,265,347

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:

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Current FY

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

Foreign currency sensitivity analysis

Current FY

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

Financial Risk Management

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

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

Not applicable to Hamisi NG-CDF

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

prior year. 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 0 (Current FY: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (Current FY – Kshs 0)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	N/A	N/A	N/A	N/A
Non- Financial Assets				
Investment Property	N/A	N/A	N/A	N/A

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Land And Buildings	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A
As at 30th June 2024				
Financial Assets				
Quoted Equity Investments	N/A	N/A	N/A	N/A
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	2024-2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	105,182,652	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	57,866,406	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

32. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,345,000	1,748,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	207,444,724	217,832,745
Total	209,789,724	219,580,745

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

Not applicable to Hamisi NG-CDF

Contingent Liabilities

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

Not applicable to Hamisi NG-CDF

35. Capital Commitments

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

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 Hamisi 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.

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

(x) Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	5,730,775	-	-	5,730,775
Buildings and structures	6,215,310	-	-	6,215,310
Transport equipment	1,088,000	-	-	1,088,000
Office equipment, furniture, and fittings	31,150	-	-	31,150
ICT Equipment and Other ICT Assets	1,095,000	-	-	1,095,000
Other Machinery and Equipment				
Intangible assets	-	-	-	-
Total	14,160,235	-	-	14,160,235

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

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Ass. Chief Office Kipchekwen	KCB Mbale	1287203582	-	389
Bahati Primary School	KCB Mbale	1206718412	68,870	514
Banja chiefs office	KCB Serem	1331356091	2,915	-
Banja Muslim Primary School	KCB	1126380296	1,063,021	14,819
Bishop Chabuga ADC Primary	KCB	1298445248	1,334	3,242
Bishop Sulumeti Girls – Hamisi	KCB	1280326077	-	305
Bumbo Primary School	KCB Serem	1258041197	-	443
Bumira Primary School	KCB	1266390693	77,088	2,744
Bumuyange Primary School	KCB	1328353486	110,699	2,475
Bumuyange Secondary School	KCB Mbale	1200684737	-	48,512
Butiti Primary School	KCB	1265832129	5,434	1,504
Buyangu Primary School	KCB Mbale	1166959996	3,222	62
Chebunaywa Primary School	KCB Mbale	1287026966	24,242	196
Chepsaga Primary School	KCB Mbale	1111134030	-	1,087
Cheptech Primary School	KCB	1257224433	-	7,857
Cheptembu Primary School	KCB	1171212607	3,227	4,757
DCC Hamisi	KCB Mbale	1208679031	-	2,465
Dr. Gimose Ikonza ADC Primary	KCB	1316832481	5,673,818	1,179,452
Dr. Gimose Sec School Jeviriri	KCB Mbale	1166786706	-	3,260

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Egemeni Primary School	KCB	1210821133	110,808	325,777
Friends Kaimosi Prim. School	KCB Mbale	1167036670	18,409	18,409
Friends Kaimosi Special	KCB	1325233781	1,503,706	5,110
Friends Primary School Givogi	KCB Mbale	1235866351	116,400	1,513
Galona Primary School	KCB	1327409917	6,831	8,739
Gamalenga Primary School	KCB	1168511917	731,923	328,854
Gamalenga Secondary School	KCB	1102380946	1,022	3,830
Gambaragai ADC Pri. School	KCB	1266250360	841	1,497
Gambogi Police Station	KCB	1294913522	3,683	4,511
Gamuguywa Primary School	KCB	1131121740	1,339	2,995
Gavudunyi Primary School	KCB	1314516973	2,064	3,594
George Khaniri Sec. Jepkoyai	KCB	1274572053	80,990	1,238
Gidimo Primary School	KCB	1126220779	1,155	63,315
Gimarakwa Primary School	KCB	1238624855	192,358	161,803
Gimarian Primary School	KCB	1314587196	3,583,389	887,715
Gimarian Secondary School	KCB	1327047497	-	3,830
Gimegwa Primary School	KCB Mbale	1271216612	656	656
Gimengwa Secondary School	KCB Mbale	1101794909	5,744	5,744
Gimomoi Primary School	KCB	1101936290	-	768

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Gisambai Primary School	KCB	1294776770	445	1,849
Givavei Friends School for the deaf	KCB Mbale	1266279563	2,942,171	4,591
Givogi Primary School	KCB	1277193088	3,438	820,220
Givole Primary School	KCB	1112506136	4,058	5,462
Givole Secondary School	KCB	1296568385	363	867
Givudemasi Primary School	KCB	1327384256	325	50,829
Goibei Primary School	KCB Mbale	1103652745	-	897
Isikhi Primary School	KCB	1317656504	1,451	1,627
Itiengere Primary School	KCB Mbale	1101936703	-	-
Itovo Primary School	KCB	1116181452	1,500	1,298
Ivola Primary School	KCB Mbale	1101799617	-	5,482
Jeblabuk Primary School	KCB Mbale	1109395337	-	985
Jebrongo Primary School	KCB	1102263486	2,322,733	1,752,119
Jepkoyai Primary School	KCB	1327410192	-	3,975
Jeptorol Primary School	KCB	1112203516	590	4,872
Jeptulu Primary School	KCB	1329060806	771,081	697,950
Jinjini Primary School	KCB Mbale	1260971821	-	12,140
Kabinjari Primary School	KCB Mbale	1271844508	-	5,682
Kaimosi Demo Prim. School	KCB	1173505288	-	854

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Kaimosi Demo Sec. School	CO-OP BANK	01102462111001	1,765,468	213,675
Kakubudu Primary School	KCB	1313665770	2,336	3,487
Kamuluguywa Primary School	KCB Mbale	1124388680	715	315
Kapchemgung Primary School	KCB	1172733805	311	2,093
Kapchemgung Sec. School	KCB	1291352864	1,500	1,530
Kapchorwa ADC Prim. School	KCB Mbale	1197908056	47,264	1,935
Kapkoi Primary School	KCB	1293930881	84,436	50,243
Kapsaoi Primary School	CO-OP BANK	01139013530901	1,525	469,420
Kapsegeli Primary School	KCB	1258772175	-	285
Kapsoi Primary School	KCB	1160032092	308	301
Kapsotik Primary School	KCB	1271636468	349	727
Kapsotik Secondary School	KCB	1109833229	546,908	1,002,444
Kaptieni Primary School	KCB	1317581954	-	904
Kaptis Primary School	KCB Mbale	1278238662	-	655
Kimarani Primary School	KCB	1278889531	-	1,050,284
Kinu Primary School	KCB	1149111763	1	228
Kipsigor Primary School	KCB	1286014344	3,095	4,625
Kisasi Secondary School	KCB Mbale	1296621693	-	965
Kitagwa Primary School	KCB Mbale	1287421881	-	1,387

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Kitagwa Secondary School	KCB Mbale	1261843843	6,907	297
Kitambazi Primary School	KCB Mbale	1111901767	2,816	2,096
Logere Primimary School	CO-OP BANK	01141698120600	499,068	1,398
Luther Primary School	KCB Mbale	1258638916	232,766	22,728
Lwombei Secondary School	KCB	1142412571	70,686	893,551
Madeya Primary School	KCB	1317656695	-	2,025
Mahanga Primary School	KCB Mbale	1290242844	5,418	2,784
Makuchi Primary School	KCB Mbale	1258104008	7,270	1,166
Malinda Primary School	KCB	1109449992	1,995	261,449
Malinda Secondary School	KCB Mbale	1266286187	706	706
Muhaya Primary School	KCB	1321668740	3,058	314,714
Muhaya Secondary School	KCB	1279177616	370	53,079
Muhudu Primary School	KCB	1168097495	-	3,422
Muhudu Secondary School	KCB	1317249496	714,270	2,267,296
Mukisangula Primary School	KCB	1287324908	1,472	3,253
Munzatsi Primary School	KCB Mbale	1168236223	-	1,050
Munzatsi Secondary School	KCB Mbale	1179265904	-	2,168
Musasa Primary School	KCB	1316698866	100,123	501
Museywa Primary School	KCB	1102283290	147,672	149,706

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Musiri Primary School	KCB Mbale	1236826809	-	5,270
Musiri Secondary School	KCB Mbale	1260446069	5,270	1,256
Musudzu Primary School	KCB Mbale	1291402225	-	-
Musunji Primary School	KCB	1327384558	293,914	10,275
Mutave Primary School	KCB	1115533126	2,203	2,791
Mutiva Primary School	KCB Mbale	1236647793	-	1,097
Muyere Primary School	KCB Mbale	1162318430	-	1,056
Mwanzo ADC Primary School	KCB Serem	1238554563	-	845
Nyang'ori Primary School	KCB Mbale	1152617761	-	34,601
Saride Primary School	KCB	1317668278	53,483	55,013
Senende Primary School	KCB	1111140596	2,922	20,478
Serem Police Station	KCB Serem	1150755873	1,725	737
Shamalago Primary School	KCB	1319519806	12,148	12,651
Shaviringa Divisional HQs	KCB Serem	1279452234	-	737
Shikomoli Primary School	KCB Mbale	1114711098	271	523
Shiru Primary School	KCB Serem	1102071307	-	-
Shivembe Primary School	KCB Mbale	1314215035	1,734	1,734
Siekuti Primary School	KCB Mbale	1160502692	-	305
Simbi Primary School	KCB Mbale	1101837756	-	260

National Government Constituencies Development Fund (NGCDF)

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
Simbi Secondary School	KCB Mbale	1110450052	487	991
St. Annes Buyangu Girls	KCB	1259457818	8,703	5,480
St. Veronica Sec. Kimarani	KCB	1135267197	4,032	5,688
Tambua Dos Office	KCB Mbale	1122467451	206	206
Virembe Primary School	KCB	1109420021	20,610	158,262
Zululu Primary School	KCB Mbale	1284836096	2,703,970	603
Total			26,803,830	13,585,427

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/KSM/AUD/HAMISI NG-CDF/2023/2024(13)	Unsupported Project Management Committee Bank Balances Note 19.4 to the financial statements reflects Project Management Committee bank account balances totaling Kshs. 13,214,762 as disclosed in Annex 5 to the financial statements. However, the balances for the one hundred and thirty-four (134) bank accounts were not supported with cash books and bank	The management provided certified PMCs bank statements for the same. Going forward the management will use the bank reconciliations statements. Attached find Certified copies of the said PMCs for the same on Annex 1	Not resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	reconciliation statements. In the circumstances, the accuracy and existence of the Project Management Committee bank account balances totaling Kshs.13,214,762 could not be confirmed.			
	2. Unsupported Transfer from NGCDF Board The statement of receipts and payments reflect an amount of Kshs.217,832,745 in respect of transfers from National Government Constituencies Development Fund Board. However, the Fund Management did not	The management provided the AIE file during the audit exercise. Attached find copies of the AIEs on Annex 2	Not Resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	provide for audit AIEs numbers B0225022, B0225348, B0226327, B0226408 and B0233877 amounting to Kshs.30,000,000, Kshs.17, 000000, Kshs.30,000,000, Kshs:30,000,000 and Kshs.40,000,000 respectively totalling to Kshs. 147,000, 000 to support receipt of the funds. In the circumstances, the accuracy and completeness of the transfers from NGCDF board amounting to Kshs. 147,000,000 could not be confirmed.			
	3. Unsupported Committee Expenses The	All payments were made in the name of the fund account	Not resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statements of receipts and payments reflect an amount of Kshs.4,385,000 in respect of committee expenses. However, review of the ledger revealed that the total amount of shs. 4,385,000 was paid in the name of the Fund Manager. Further, no signed schedules and attendance list were provided to support the payments to individual members of the Board. In the circumstances, the accuracy, completeness and occurrence of the committee expenses amounting to Kshs. 4,385,000 could not be confirmed.	manager as the AIE holder taking imprests on behalf of the committee members. The payments vouchers provided had signed schedules, attendance lists. Attached find copies of the vouchers on Annex 3		

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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)
	Irregular Allocation of Bursaries The summary statement of appropriation reflects final budget of Kshs.288,592,185 which Includes Kshs:29,961,823 in respect of Bursaries. The amount allocated to bursary translates to approximately 10% of the funds allocated. This is contrary to Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016 which states that, a Constituency Committee shall allocate not less than 25% of the funds	Hamisi Constituency is vast with several institutions which really needs assistance thus why the committee agreed to budget more infrastructure projects to schools thus making the bursary allocation low. Going forward the management will adhere to the bursary allocation percentage	Not resolved	December 2025

National Government Constituencies Development Fund (NGCDF)

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (<i>Resolved/ Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
	allocated to a constituency for bursaries. In the circumstances, Fund Management was in breach of the law.			
	Construction of 1 No. Storey Administration, Tuition and Laboratory Block at Lwombei Secondary School The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.146,556,743 in respect of transfers to other government units which includes transfers to secondary schools' amount of Kshs.39,600,000. Out of this balance, an amount of Kshs.	The project was being done in three financial years. The project had delayed as there was late disbursement of funds from the exchequer. The funds were later received and the contractor is on site. On variations the contractor was advised to write to the Public works who are the project supervisors to give there report on the same	Not resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	10,000,000 was transferred to Lwombei Secondary School for construction of one storey administration, tuition and laboratory block. However, a physical inspection in the month of December 2024 revealed the following irregularities: i. The water had stagnated on the ground floor with algae covering the walls up to the first-floor ring beam. ii. There was also water seepage beneath the ground floor. iii. A letter dated 8 August 2023 from the contractor to			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the school's principal for request to review the contract cost due to variations done on site did not indicate quantified variations of works and that approval of the variations had not been sought. In the circumstances, value for money on the expenditure incurred on the project could not be confirmed.			
	Failure to Update the Fixed Assets Register Annex 4 to the financial statements reflects a summary of non-current assets register with	The management has agreed to the audit recommendation on using the right asset register.	Not resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	historical cost of Kshs. 14,160,235. However, review of fixed assets register revealed that the register does not support the balances reported in the Summary of Fixed Asset Register reported in Annex 4 to the financial statement. In the circumstances, the accuracy of the Summary of Fixed Asset register balance of Kshs.14, 160,235 could not be confirmed.			

.....
 Name: Mr. Silverius M. Wakoli
 Fund Account Manager.

