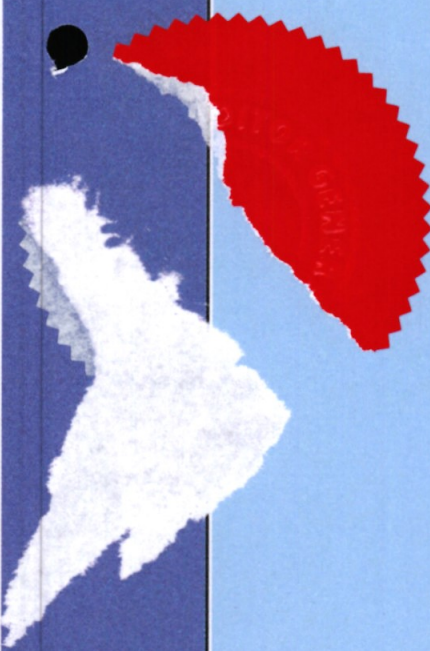


REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
- LARI CONSTITUENCY

FOR THE YEAR ENDED

PARLIAMENT
OF KENYA
LIBRARY

30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 17 FEB 2026

DAY.

TUESDAY

TABLED
BY:

DEPUTY
MAJORITY LEADER

CLERK-AT
THE-TABLE:

FINLAY



OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE
11 DEC 2025
RECEIVED



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

LARI 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 realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

1. 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 Lari 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	Florence Njuguna
2.	National Sub-County Accountant	Emma Nduta Kuria
3.	Chairman NGCDFC	James Ng'an'ga Njuru
4.	Member NGCDFC	Mary Wanjiku Kagwa
5.	Member NG CDFC	Mary Wanjiku Kagwa

(c) Fiduciary Oversight Arrangements

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

Lari Sub-County Headquarters Kimende
Off Nairobi-Naivasha Highway
Matahia Kenya.

(e) NGCDF Lari Constituency Contacts

P.O. BOX 71-00221
Telephone: (254) 768981691
E-mail: cdfhari@cdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Lari Constituency Bankers

1. Lari National Government Development Fund Equity Bank
Account 1110295360924
Kimende
P.O. Box 245
Matathia
2. Lari National Government Deposit Account Family Bank
Account 049000029378
Kagwe
3. PMC Bank Accounts
Reference Annex 2

(g) Independent Auditor




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



(h) Principal Legal Adviser




The Attorney General
State Law Office
Harambee Avenue



P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

Name	Details
	<p>Name : James Njuru</p> <p>Position : chairperson - youth male representative</p> <p>D,O,B : 04/04/1991</p> <p>Professional qualifications : Certificate in computer applications</p> <p>Work experience</p> <ul style="list-style-type: none"> • 2022 – 2025 : Chairperson Lari NGCDFC • 2022 – 2025 : Chairperson Kerra Lari • Founder and general secretary Helitech organization • Director Decoline computers services • Kenya youth association leader Kamburu Ward
	<p>Name : Mary Kagwa</p> <p>Position : Secretary – Female Adult representative</p> <p>D,O,B : 01/01/1970</p> <p>Qualifications : O level</p> <ul style="list-style-type: none"> • 2022 – 2025 : Member Lari NGCDFC • Treasurer Gachoire P.C.E.A • Chairlady Education parish level • Business women Kagwe town • Board member Gachema high school • Board member Karatina Technical
	<p>Name : Michael Kigundu</p> <p>Position : co-opted member</p> <p>D,O,B : 29/04/1975</p> <p>Qualifications : Certificate</p>

	<ul style="list-style-type: none"> • 2022 – 2025 : Member Lari NGCDFC • Worked as a private vet for 25 years • Sales person at biodeal laboratories • Metro vet Kenya ltd • Antipest Kenya Ltd
	<p>Name : Christine Wangui</p> <p>Position : Nominee of the constituency representative</p> <p>D.O,B : 14th Sep 1981</p> <p>Qualifications : O level</p> <ul style="list-style-type: none"> • 2022 – 2025 : Member Lari NGCDFC • 2017 -2019 PTA BOARD MEMBER Wangware primary • 2023 up to date : Chairperson Wangware primary ECDE
	<p>Name : Ann Nyambura Chege</p> <p>Position : representative of people living with disability</p> <p>D,O,B : 08/08/1982</p> <p>Qualifications : O level</p> <ul style="list-style-type: none"> • 2022 – 2025 : Member Lari NGCDFC • 2017 – up to date : Community health volunteer of special needs person • Education bursary committee representing persons with disability Kiambu county 2018 -2022 • Public expenditure management cycle Tot Nyanduma ward

	<p>Name : Samuel Ngamau</p> <p>Position : Male Adult representative</p> <p>D,O,B : 01/01/1966</p> <p>Qualifications : O level</p> <ul style="list-style-type: none"> • 2022 – 2025 : Member Lari NGCDFC • Businessman • Sports Secretary for over 15 years lari consitituecy • Board member Kinale secondary • Chairperson Ha Burugu self help group
	<p>Name : Wallace Kabogoro</p> <p>Position : Male Nominee constituency representative</p> <p>D,O,B : 2nd Jan 1981</p> <p>Qualifications : O level</p> <ul style="list-style-type: none"> • 2022 – 2025 : Member Lari NGCDFC • 2001 – 2006 : Farmers choice ltd Supervisor • Two years Kenya Bearue of statics as a driver • Religious leader KAG up to date • Chairman community policing Gituamba Location • PA chair Kirenga girls high school
	<p>Name : Samuel Kariuki</p> <p>Position : DCC</p> <p>D,O,B : 3/4/1970</p> <p>Academic qualifications</p> <ul style="list-style-type: none"> • Bachelor Of Arts Nairobi • Diploma In Public Administration <p>Work experience</p> <ul style="list-style-type: none"> • National government administrator

	<p>Name : Florence Njuguna Position : Fund manager D,O,B : 27th June 1980</p> <p>Work experience</p> <ul style="list-style-type: none"> • Bsc Public Relations and Communication • Diploma in Management of Information Systems • Diploma in Banking • 2001-2003 Smoothtel and Data Solutions – Sales Administrator • 2004-2020 MTN Business Kenya – Account Manager Corporate • 2021-2022 MTN Group – Wholesale Lead Kenya
	<p>Name : Monicah Njoki Position : member - youth female representative D,O,B : 9th July 1990</p> <p>Work experience</p> <ul style="list-style-type: none"> • Kimende Youth Sports Chairperson • Kimende Business Community Secretary

NO NG-CDFC MEMBER WHO EXITED DURING THE FINANCIAL PERIOD 2024-2025

4. NG-CDFC Chairman's Report

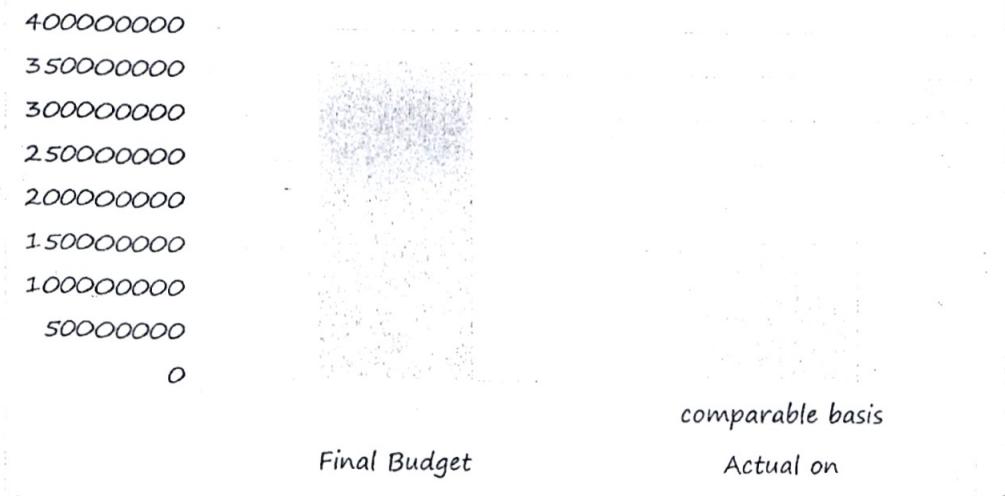


Name : James N. Njuru

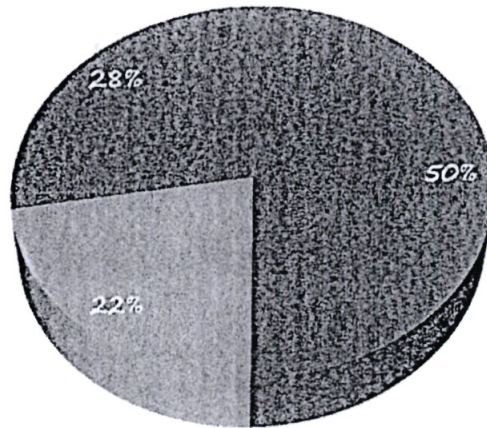
Our resilience and sustainability are reliant on the degree to which we remain true to our purpose: to make lives better. The most successful businesses in the world are those that have a clear social purpose, and we aim to play our part to create long-term sustained value. Now we can broadly fulfil the Government Bottom up economic transformation Agenda, societal financial wellness and good governance.
 On behalf of Lari NGCDFC, I wish to express my appreciation to the NGCDF BOARD and the Executive Team for their collective contribution to the Fund's performance.

Include, among others, the following:

summary the budget performance against actual amounts for the current year



BUDGET PERFORMANCE AGAINST UTILIZATION



- FINAL BUDGET
- ACTUAL ON COMPARABLE BASIS
- BUDGET UTILIZATION DIFFERENCE

- *Implementation challenges*
 - Late disbursement of the funds hence delaying the implementation of projects.
 - Delaying in approving project proposals
 - Delay in approval of reallocated projects
- *Recommendation and way forward.*
 - The exchequer to ensure timely disbursement of funds



Name James Njuru
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the *NGCDF Lari Constituency 2023-2027* plan are to:

- I. *Institutional improvement and growth*
- II. *Advancing education and skill development*
- III. *Promoting community safety and security*
- IV. *Empowering youth, advancing gender equity and cultivating arts and culture*
- V. *Environmental sustainability*

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	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions</i> <i>number of bursary's beneficiaries at all levels</i>	In FY 2024/25, we; <ul style="list-style-type: none"> • Renovated 11 classrooms in Nyamweru pry Sch, 9 in Kagaa pry sch, 5 in Kamburu high sch. • Constructed to completion of 2 classrooms at Bathi sec pry school, 1 at Ngechu Primary, 3 at Sulmac pry sch, 5 at Kereita pry sch and 3 at

*National Government Constituencies Development Fund (NGCDF)
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				<p>Crossroad Pry.</p> <ul style="list-style-type: none"> • Constructed to completion of Js Lab at Kabunge pry, • Converted the following classrooms to Js labs, Kibathithi, Kamburu, Matimbei, Gakenge, Kamuchege, Munyaka, Muthandi, Nyamuthanga, Kambaa, Kereita administration blocks at Kamahindu high school and Matathia pry school. <p>Bursary award to various categories of bright needy student increased.</p>
Security	<ul style="list-style-type: none"> • Enhance community security and safety. • Improve infrastructure for law enforcement 	<ul style="list-style-type: none"> • Reduced crime rates. • Enhanced capacity of security personnel <p>Improved public safety.</p>	<ul style="list-style-type: none"> • Number of police stations and posts constructed or renovated. • Crime statistics and reports. <p>Community satisfaction with security services.</p>	<p>In the F/Y 2024/25, there was construction of 5 Chiefs and Asst Chiefs offices.</p>

	agencies. Support initiatives aimed at crime reduction.			
Climate change mitigation activities	<ul style="list-style-type: none"> Promote environmental conservation and sustainability. Support initiatives for waste management and pollution control. <p>Enhance awareness and education on environmental issues.</p>	<ul style="list-style-type: none"> Reduced environmental degradation. Improved waste management practices. <p>Increased community involvement in conservation activities.</p>	<ul style="list-style-type: none"> Number of trees planted Amount of waste recycled or properly disposed of. <p>Participation rates in environmental awareness programs.</p>	Natural resources conservation initiatives and provision of proper sanitary facilities to schools and community and planting of avocado tree seedlings to various learning institutions as part of environment conservation.
Emergency	<ul style="list-style-type: none"> Improve preparedness and response to emergencies and disasters. Enhance infrastructure for emergency services. Support 	<ul style="list-style-type: none"> Reduced impact of emergencies and disasters. Improved response times and effectiveness. Enhanced community resilience 	<ul style="list-style-type: none"> Number of emergency response facilities and equipment procured. Community training and awareness programs on disaster preparedness 	<ul style="list-style-type: none"> Increased number of unfit to use school sanitary blocks Uplifted the flooded ground and walk paths at Kirenga Digital Hub.

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

	initiatives for disaster risk reduction			
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6. Governance Statement

Appointment of NGCDFC members

(1) The members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee. vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951 (2) A vacancy shall occur in Constituency Committee upon— commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee. (3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel. (4) The selection panel referred to in paragraph (1) shall consist of— one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel; the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and two persons, one of either gender, nominated by the Constituency office. (5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board. (6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act (7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel. (8) The Board shall co-opt the person referred to in section 43(2) (g) of the Act to ensure equitable representation in the membership of a Constituency Committee. (9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency. (10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with section 43(2)(b),(c),(d) and (e) of the Act to the National Assembly for approval. (11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette. 1952 Kenya Subsidiary Legislation, 2016 The

selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee. The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing. A member of a Constituency Committee who is appointed under section 43 (2) (b), (c), (d), (e) and (g) may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board. At least one of the Constituency Committee members appointed under section 43(2)(b)(c) or (d) shall be a mandatory signatory to the Constituency accounts.

Removal of NG-CDF Members

(1) The members of a Constituency Committee may remove a Removal of a member in accordance with section 43 (13) and (14) of the Act upon C 1embe1 receipt of a complaint against a member. A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office. The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. If, at a meeting held pursuant to paragraph (4), members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5). The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a Constituency Committee may hear such a member. The member against whom a complaint is made may call witnesses. If the member against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter. Notwithstanding paragraph (10), a Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. Kenya Subsidiary Legislation, 2016 1955 If the member against whom a complaint is made fails to respond to the complaint as may be directed by a Constituency Committee, the Committee may proceed and make a determination based on the evidence available. A Constituency Committee shall issue its decision on the complaint within seven days after the conclusion of the hearing. If a Constituency Committee resolves to remove the member against whom

a complaint is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision. The communication to the Board under paragraph (14) shall include duly executed proceedings, together with all the supporting documents. The Board shall, within thirty days after receipt of the communication in paragraph (14), consider the matter and issue a final declaration which shall be binding on all parties. A member against whom a complaint is made shall not, participate in the deliberations and activities of a Constituency Committee from the time the Constituency Committee starts considering the complaint. If a member against whom a complaint is made responds to the allegations to the satisfaction of a Constituency Committee and the committee makes a determination in favour of such member, the member shall resume duties as a member of the Committee. A Constituency Committee may remove the Chairperson or secretary from their respective positions for failing to perform their functions, under regulations 8 and 9 respectively. A Constituency Committee shall inform the Chairperson or Secretary of the reasons for the proposed removal, and shall give the Chairperson or Secretary reasonable opportunity to be heard. A Chairperson or secretary who is removed pursuant to paragraph (19) shall continue to discharge duties as a member of the Constituency Committee. At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office.

Roles and functions of the Committee

The functions of a Constituency Committee shall be to –

- build the capacity of project management committees and Committee. sensitize the Community on the operations of the Fund; consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016 ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;

- consult with relevant government departments to ensure that cost estimates for projects are realistic; in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- rank projects proposals in order of priority while ensuring that on-going projects take precedence; ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building,
- ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; (I) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects; ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund; 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; Kenya Subsidiary Legislation, 2016 1957 (r) collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act; (s) recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act; (t) submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status; (u) enter into performance contracting with the Board on an annual basis; (v) in exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined

in Article 10 of the Constitution; (w) receive returns from project management committees in accordance with regulation 15; (x) maintain a database of project management committees and reports from the respective committees; (y) ensure that the reports referred to in paragraph (x) are received before funding is released for each phase of the project being implemented; (z) record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office; (aa) receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level; (bb) ensure that the committee does not enter into commitments for which funding has not been allocated; (cc) ensure projects are labelled in accordance with the guidelines issued by the Board; and (dd) perform any other function assigned to it by the Board.

- Below members were gazetted on 21st may 2025

29. LARI CONSTITUENCY			
No.	Name	Category	Statutory Provision Under NG-CDF Act
1.	Wallace Gitau Kabogoro	Male Adult Representative	Appointment pursuant to Sec. 43 (2) (b)
2.	Samuel Winyoike Ngatia	Male Adult Representative	Appointment pursuant to Sec. 43 (2) (b)
3.	James Nganga Ngara	Male Youth Representative	Appointment pursuant to Sec. 43 (2) (b)
4.	Mary Wanjiku Kirwa	Female Adult Representative	Appointment pursuant to Sec. 43 (2) (c)
5.	Christine Winyai Wawera	Female Adult Representative	Appointment pursuant to Sec. 43 (2) (c)
6.	Miriam Njoki Karim	Female Youth Representative	Appointment pursuant to Sec. 43 (2) (c)
7.	Ann Nyambura Chege	Representative of Persons Living with Disability	Appointment pursuant to Sec. 43 (2) (d)

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

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uu a u	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	
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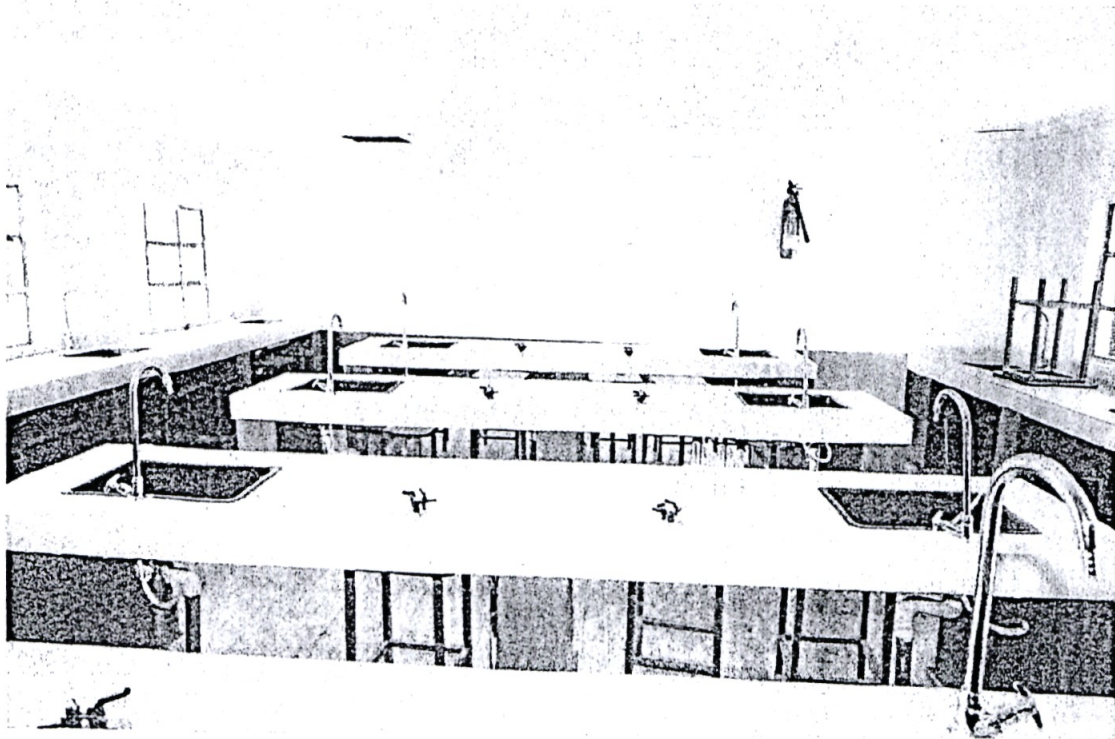
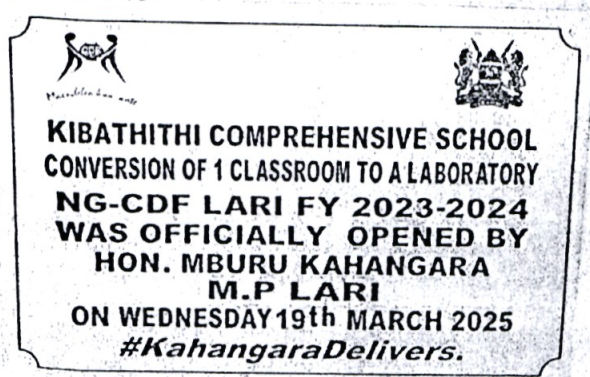
During the financial year 2024-2025. Lari NGCDF committee held a total of 24 committee meeting.

7. Management Discussion and Analysis

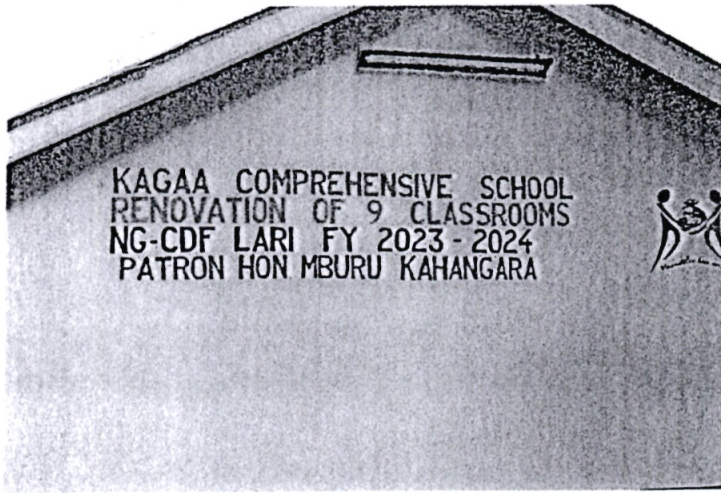
- **Project Name : Kinale Chiefs Office**
- **Description of the project : construction of a chiefs office**

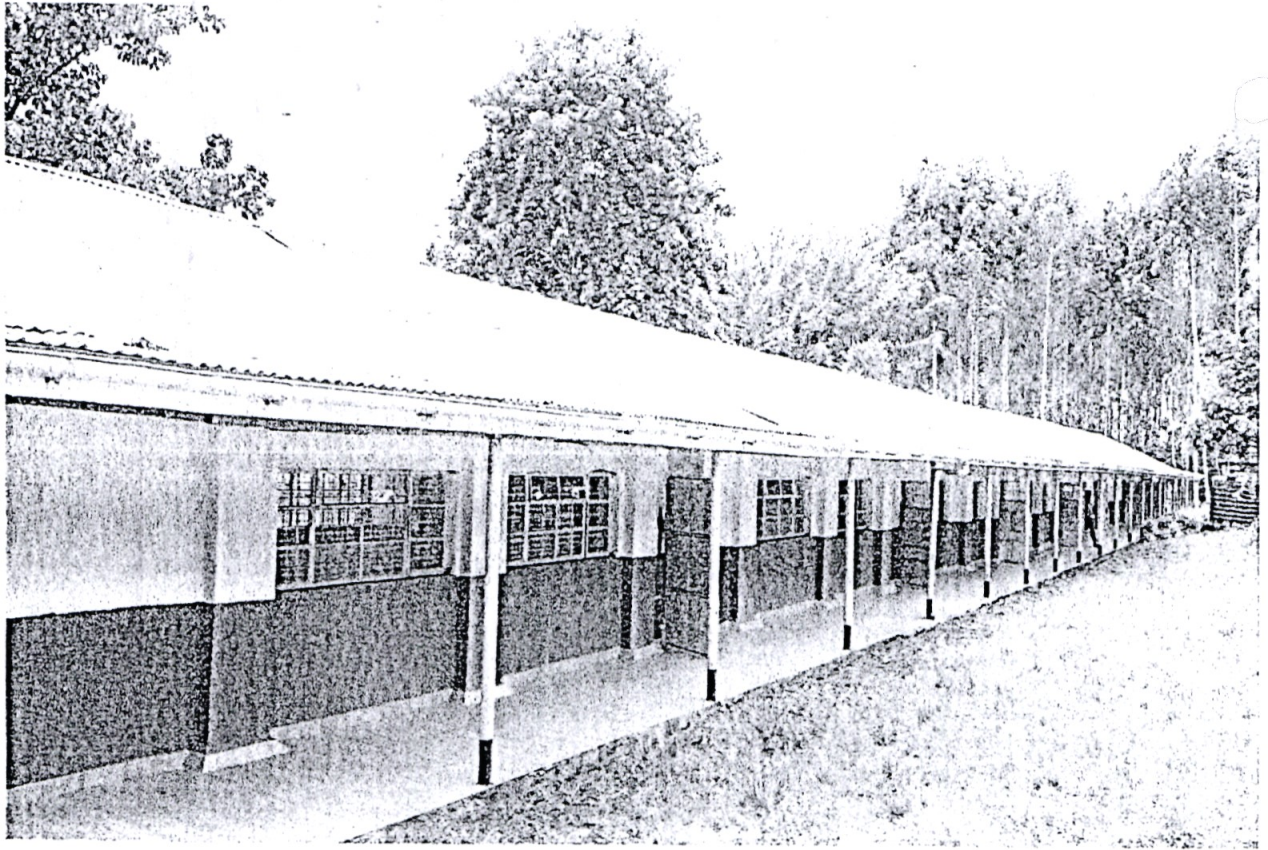


- **Project Name : Kibathithi Comprehensive School**
- **Description of the project : conversion of 1 no classroom to a laboratory**



- **Project Name : Kagaa Comprehensive School**
- **Description of the project : renovation of 9 no classrooms**





- **Project Name : nyamweru comprehensive school**
- **Description of the project : renovation of 12 no classrooms**



- **Project Name : Environment**
- **Description of the project : plantation of 9000 avocado trees in different schools across the constituency**



- **Disbursement of bursaries to the constituents**





.....
Name Florence Njuguna
Fund Account Manager

8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

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

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

2. Environmental performance

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

3. Employee welfare

We invest in providing the best working environment for our employees. Lari 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. xxx constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Lari Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Lari 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

Lari 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.

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



.....
Name
Fund Account Manager.

9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Lari 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-Lari Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Lari 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 Lari 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- Lari Constituency financial statements were approved and signed by the Accounting Officer on 11TH DECEMBER 2025.



.....
Name: James Njuru

Chairman – NGCDF Committee



.....
Name: Florence Njuguna

Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LARI 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 - Lari Constituency set out on pages 1 to 97, which comprise the statement of financial position as at 30 June, 2025 and the

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

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

Basis for Qualified Opinion

1. Inconsistencies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.1,409,192. However, the statement of cash flows reflects additions of assets during the year of Kshs.9,377,932 while the summary of assets register in Annex 1 indicates additions amount of Kshs.2,013,132. Further, review of the ledgers provided revealed that the Fund acquired assets worth Kshs.7,364,800 as disclosed in Note 22 to the financial statements. However, these acquisitions were not included as additions in the property, plant and equipment movement schedule as at Note 23 to the financial statements and in the asset register.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.1,409,192 could not be confirmed.

2. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents current and comparative year balances of Kshs.161,977,221 and Kshs.108,422,437 respectively as disclosed in Note 19 to the financial statements. However, review of records provided revealed the following;

2.1 Inaccuracies of Cash and Cash Equivalents Comparative Balances

Note 19 to the financial statements reflects cash and cash equivalents comparative balance of Kshs.108,422,437 which includes Project Management Committee (PMC) balances totalling Kshs.37,466,925 and as disclosed in Annex 2 to the financial statements. However, the prior year audited financial statements reflected a PMC closing balance of Kshs.34,674,681 resulting to an unreconciled variance of Kshs.2,792,244.

2.2 Unsupported Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 19 to the financial statements, reflects a cash and cash equivalents balance of Kshs.161,977,221. Included in the amount is PMC bank balance of Kshs.50,593,992 which was not supported with certificates of bank balances, cashbooks and bank reconciliation statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance totalling Kshs.161,977,221 could not be confirmed.

3. Variances Between the Financial Statements and the Ledgers

Review of the financial statements balances in comparison with ledgers and schedules provided for audit revealed variances as analysed;

Component	Note	Financial Statements Amount (Kshs.)	Ledgers /Schedules Amount (Kshs.)	Variances (Kshs.)
Prepayment	22	7,364,800	-	7,364,800
PPE (Acquisition of Assets)	23	1,409,192	10,269,769	8,860,577
Routine Maintenance	12	0	150,000	150,000

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

4. Unsupported Third-Party Deposits

The statement of financial position and as disclosed in Note 27 to the financial statements reflects third party deposits balance of Kshs.5,845,607. However, the balance was not supported with ledgers to confirm the transactions relating to the third parties deposits.

In the circumstances, the accuracy and completeness of the third-party deposits balance of Kshs.5,845,607 could not be confirmed.

5. Unsupported Training Expenditure

The statement of financial performance reflects the use of goods and services amount of Kshs.7,946,110 as disclosed in Note 12 to the financial statements, which includes training expenses of Kshs.618,250. However, a sample of payment vouchers amounting to Kshs.491,742 lacked back-to-office reports and evidence that the imprest had been surrendered.

In the circumstances, the accuracy and propriety of training expenses totalling Kshs.618,250 could not be confirmed.

6. Irregular Payment of Board Committee Expenses

The statement of financial performance and Note 11 to the financial statements reflects committee expenses amounting to Kshs.4,390,227. Detailed examination of the committee expenses established that the previous gazette notice expired in November, 2024, while the new appointments were only gazetted in May, 2025. Consequently, during the lag period between December, 2024 and May, 2025, there was no duly constituted committee in place. Accordingly, all Board allowances paid during this period lacked justification.

In the circumstances, the propriety of committee expenses totalling Kshs.4,390,227 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 - Lari 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 income budget and actual amount on comparable basis of Kshs.363,421,753 and Kshs.217,090,278 respectively resulting to under-funding of Kshs.146,331,475 or 40% of the budget. Similarly, the Fund spent an amount of Kshs.163,535,496 against actual revenue of Kshs.217,090,278 resulting to an under-utilization of Kshs.53,554,782 or 25% of the actual revenue.

The under-funding and under-utilization affected the planned activities of the Fund and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources

respectively. Review of the status during audit of the National Government Constituencies Development Fund – Lari Constituency in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Unsupported Fixed Assets Balances
2	2023/2024	Budgetary Controls and Performance
3.	2023/2024	Failure to Return Unutilized Project Management Committee Balances
4	2023/2024	Incomplete Projects

Other Information

The Management is responsible for the Other Information set out on pages iii to xxxviii which comprise of Key Constituency Information and Management, NGCDF Committee, NGCDF Chairman’s Report, Statement of Performance Against Predetermined Objectives, Governance Statement, 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 of the National Government Constituencies Development Fund - Lari Constituency financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Return Unutilized Project Management Committee Balances

Annex 2 to the financial statements reflects Project Management Committee (PMC) unutilized fund balances of Kshs.50,593,992 as at 30 June, 2025 which were not

transferred to the Constituency Fund Account. This was contrary to Section 12(8) of National Government Constituency Development Fund Act, 2015 which states that, "All unutilized funds of the Project Management Committee shall be returned to the Constituency Account."

In the circumstances, the Fund Management is in breach of law.

2. Non-Compliance with Capacity Building Levy

The statement of financial performance reflects other Government Units actual transfers amounting to Kshs.80,292,317. The amount was incurred in relation to various development projects that were carried out in various institutions. However, Management did not deduct 3% of contact sum contrary to Public Procurement Capacity Building Levy Order, 2023 and the Government was at a loss of revenue totalling Kshs.2,408,770.

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

3. Irregular Expenditure on Security Project

The Fund engaged a local builders company for the construction of the Chief's office at Karatina at a contract price of Kshs.2,993,190; Further, another local company was contracted for proposed construction of the Chief's office at Kinale at a contract price of Kshs.3,000,000. However, the monitoring and implementation minutes by the Projects Management Committee and the Certificate of completion and inspection reports from the Department of Public Works were not provided for review contrary to Section 48(3)(b) of the Public Procurement and Asset Disposal Act, 2015 which requires that the inspection and acceptance committee shall immediately after the delivery of the goods, works or services inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract.

In the circumstances, the Fund Management is in breach of law.

4. Lack of Land Ownership Records

Annex 1 to the financial statements reflects the summary of fixed assets register amounting to Kshs.9,173,079. Included in the asset register are buildings and structures valued at Kshs.4,450,116. However, the ownership documents pertaining to the parcels of land where the buildings and structures have been constructed were not provided for audit review.

In the circumstances, ownership of the land could not be confirmed.

5. Unsupported Monitoring and Evaluation Committee Meetings

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects committee expenses totalling Kshs.4,390,227. Audit review of NGCDF Committee minutes for the year under audit revealed that, the Committee held 48 meetings during the year. These includes 24 monitoring and evaluation meetings that were not supported by minutes and M&E report.

In the circumstances, the accuracy and completeness of committee allowances of Kshs.4,390,227 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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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 Gatirungu, CBS
AUDITOR-GENERAL

Nairobi

15 December, 2025

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

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

	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,441,954
Expenses		
Employee costs	10	4,595,443
Committee expenses	11	4,390,227
Use of Goods and Services	12	7,946,110
Other Government Units Actual expenditure	13	80,292,317
Other Grants and Transfers Actual expenditure	14	58,838,221
Depreciation and amortization expense	15	603,940
Digital Hubs Expenses Actual expenditure	16	3,741,258
Total expenses		160,407,515
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		19,034,439

The Constituency financial statements were approved by the NGCDFC on 11 December 2025 and signed by:

National Government Constituencies Development Fund (NGCDF)

Lari Constituency

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

Chairman NG-CDF
Committee

Name: James Njuru

National Sub-County
Accountant

Name: Emma Kuria

ICPAK M/No: 20436

Fund Account Manager

Name: Florence Njuguna


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

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	161,977,221	108,422,437
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	37,909,037	75,557,361
Prepayments	22	7,364,800	-
Total Current Assets		207,251,059	183,979,798
Non-Current Assets			
Property, Plant and Equipment	23	1,409,192	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		1,409,192	-
Total Assets (A)		208,660,251	183,979,798
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	5,845,607	1,021,030

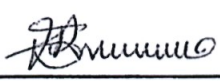
*National Government Constituencies Development Fund (NGCDF)
Lari Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

Lease Liabilities	28	-	-
Gratuity provision	29	2,529,070	1,707,634
Total Current Liabilities		8,374,676	2,728,664
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		8,374,676	2,728,664
Net Assets (A-B)		200,285,575	181,251,134
Represented by:			
Revaluation Reserves		200,285,573	181,251,134
Accumulated Surplus			
Total Net Assets		200,285,573	181,251,134

The Constituency financial statements set out on pages 2 to 6 approved by NG CDFC on 11TH DECEMBER 2025 and signed by:



Chairman NG-CDF
Committee



National Sub-County
Accountant



Fund Account Manager

Name: James Njuru

Name: Emma Kuria

Name: FLORENCE NJOGORA

ICPAK M/No: 20436

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	70,955,512	-	70,955,512
Adjustments: (to recognize assets and liabilities)			
Add Assets	113,024,286		113,024,286
Less Liabilities	2,728,664		2,728,664
As at July 1, 2024	181,251,134		181,251,134
Surplus/(Deficit) For the Period	19,034,439		19,034,439
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)	200,285,573	-	200,285,573

Note:

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

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

	Notes	Period ended June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		217,090,278
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		217,090,278
Payments		
Employee costs		3,774,007
Committee expenses		4,390,227
Use of Goods and Services		7,946,110
Other Government Units Certified Works		76,253,572
Other Grants and Transfers		58,289,132
Digital Hubs Expenses		3,504,516
Total Payments		154,157,563
Net Cash Flows from/ (used in) Operating Activities	28	62,932,715
Cash flows From Investing Activities		
Purchase of PPE		9,377,932
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-

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Net Cash Flows from Investing Activities		9,377,932
Net increase/(decrease) in cash & Cash equivalents		53,554,783
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		53,554,783
Cash and cash equivalents at Period Start	17	108,422,437
Cash and cash equivalents at Period End	17	161,977,220

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

15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	108,422,437	75,557,361	363,421,753	217,090,278	146,331,475	60%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	

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Totals	179,441,954	108,422,437	75,557,361	363,421,753	217,090,278	146,331,475	60%
Expenses							
Employee costs	4,238,712	3,354,622	-	7,593,334	6,303,077	1,290,257	83%
Committee expenses	3,791,250	14,492	-	3,805,742	3,805,741	1	100%
Use of Goods and Services	8,194,969	1,461,548	-	9,656,517	7,638,759	2,017,758	79%
Other Government Units Certified Works	63,444,313	77,240,967	64,077,146	204,762,426	89,220,834	115,541,592	44%
Other Grants and Transfers	71,772,710	15,431,350	-	87,204,060	42,792,800	44,411,260	49%
Digital Hubs Expenses	13,000,000	10,919,459	2,013,132	25,932,591	13,774,285	12,158,306	53%
Funds Pending Approval**	15,000,000	-	9,467,083	24,467,083	-	24,467,083	0%
Total Expenditure	179,441,954	108,422,437	75,557,361	363,421,753	163,535,496	199,886,257	45%

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

Explanatory Notes.

I. Employee costs. The underutilization was as a result of allocation of funds for hiring a driver for the constituency car that was acquired but whose funding was delayed by the exchequer

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- ii. Use of goods and services. The under utilization was as a result of budgeting for motor vehicle fuel, insurance, repairs and maintenance whose funds were delayed by the exchequer
- iii. Other government certified works. The under utilization was due to delayed disbursement of funds by the exchequer
- iv. Other grants and transfers. The under utilization was due to delayed funding by the exchequer
- v. digital Hubs and other expenses. The Under utilization was due to delayed approval of the projects by the NG-CDF board hence delayed funding by the exchequer

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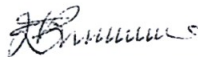
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	199,886,257
Less undisbursed funds receivable from the Board as at period June, 2025	146,331,475
Cash and Cash Equivalents at the end of the 30 th June 2025	53,554,782

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on _____ 2025 and signed by:



Fund Account Manager

Name: Florence Njuguna



National Sub-County Accountant

Name: Emma Kuria

ICPAK M/No: 20436



Chairman NG-CDF Committee

Name: James Njuru

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,238,712	3,354,622		7,593,334	6,303,077	1,290,257
1.2 Committee allowances	1,528,000	13,976		1,541,976	1,541,976	0
1.3 Use of goods and services	5,074,961	727,556		5,802,517	4,293,592	1,508,925
Sub-total	10,841,673	4,096,154	-	14,937,827	12,138,645	2,799,183
2.0 Monitoring and evaluation						
2.1 Capacity building	1,440,000	172,448		1,612,448	1,612,440	8
2.2 Committee allowances	2,263,250	516		2,263,766	2,263,765	1
2.3 Use of goods and services	1,680,008	561,544		2,241,552	1,732,727	508,825
Sub-total	5,383,258	734,508	-	6,117,766	5,608,932	508,834

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4.0 Emergency						
MAGINA PRIMARY	1,950,000			1,950,000	-	1,950,000
GATHAITI PRIMARY	1,950,000			1,950,000	-	1,950,000
KIRENGA DIGITAL HUB	3,800,000			3,800,000	-	3,800,000
Lari NGCDF Kijabe Pri School PMC				-	-	-
RUKUMA VIEW POINT COMMUNITY TOILET		1		1	-	1
LARI CONSTITUENCY COMMUNITY TOILET		1		1	-	1
EMERGENCY LARI LCDF PROJECT		1,998		1,998	-	1,998
				-	-	-
				-	-	-
				-	-	-
unutilized	1,744,313	535,522	2,204,173	4,484,008	2,485,538	1,998,470
Sub-total	9,444,313	537,522	2,204,173	12,186,008	2,485,538	9,700,470
5.0 Bursary and Social Security						
5.1 Primary Schools				-	-	-
5.2 Secondary Schools	44,600,000	401,819		45,001,819	25,135,800	19,866,019
5.3 Tertiary Institutions	23,172,710	11,245,731		34,418,441	17,442,000	16,976,441
5.4 special needs	1,000,000	583,000		1,583,000	215,000	1,368,000
5.5 Education Support Programmes		800		800	-	800
5.6 Social Security	3,000,000	3,200,000		6,200,000	-	6,200,000
Sub-total	71,772,710	15,431,350	-	87,204,060	42,792,800	44,411,260

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7.0 Environment						
KIRENGA GIRLS COOKING STOVES	600,000			600,000	-	600,000
UTUGI SECONDARY	600,000			600,000	-	600,000
MUGIKO SECONDARY	600,000			600,000	-	600,000
GITITHIA MIXED SEC	600,000			600,000	-	600,000
GATHAITI SECONDARY	600,000			600,000	-	600,000
BATHI SECONDARY	600,000			600,000	-	600,000
KIMENDE PRIMARY	600,000			600,000	-	600,000
WANGWARE PRIMARY	600,000			600,000	-	600,000
ST AUGUSTINE NYANDUMA	1,200,000			1,200,000	-	1,200,000
GATHIMA SECONDARY	1,200,000			1,200,000	-	1,200,000
ENVIRONMENT PROJECTS PMC		154,030		154,030	-	154,030
Lari NGCDF Enviroment		128,924		128,924	-	128,924
SCHOOL FIELDS		115,247		115,247	-	115,247
KANDA WORIRE WATER PROJECT		1		1	-	1
KIMENDE STAGE ENVIRONMENTAL PROJECT		1		1	-	1
BATHI YOUTH ENVIRONMENTAL PROJECT		1		1	-	1
MAINGI ENVIRONMENTAL PROJECT		1		1	-	1
GITITHIA BOREHOLE WATER PROJECT		1		1	-	1
GITUAMBA WAKULIMA ENVIRONMENTAL PROJECT		1		1	-	1

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MBAU-INI ENVIRONMENTAL PROJECT		1		1	-	1
BATHI WATER PROJECT		1		1	-	1
GATHAITI WATER PROJECT		1		1	-	1
GATHWARIGA WATER PROJECT		1		1	-	1
MAGINA WATER PROJECT		1		1	-	1
KARENGE WATER PROJECT		1		1	-	1
MATATHIA KORIO WATER PROJECT		1		1	-	1
ESCARPMENT WATER PROJECT		1		1	-	1
KAMBAA GITHOGOIYO WATER PROJECT		431		431	-	431
ESCARPMENT COMMUNITY ENVIRONMENTAL PROJECT		1		1	-	1
MACHANI ENVIRONMENTAL PROJECT		1		1	-	1
LARI CONSTITUENCY ENVIRONMENTAL PROJECT		6,471		6,471	-	6,471
KAMBAA WATER PROJECT		29,797		29,797	-	29,797
Lari Tvc			5,160,000	5,160,000	-	5,160,000
Kirasha			136,000	136,000	136,000	-
GATHAITI Primary			204,000	204,000	204,000	-
Muthandi Primary			136,000	136,000	136,000	-
Sulmac Primary			272,000	272,000	272,000	-
Kinale Primary			136,000	136,000	136,000	-
Mukeu Primary			136,000	136,000	136,000	-

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Kamahia Primary			204,000	204,000	204,000	-
Kagaa Primary			204,000	204,000	204,000	-
Kibathithi primary			136,000	136,000	136,000	-
Kamburu primary			136,000	136,000	136,000	-
Gachoire Primary			136,000	136,000	136,000	-
Lari TVc			204,000	204,000	204,000	-
					-	
					-	
Sub-total	7,200,000	434,915	7,200,000	14,834,915	2,040,000	12,794,915
8.0 Primary Schools Projects						
KIRASHA TOILET	700,000			700,000	-	700,000
KAGO FENCING	1,000,000	1,500,000		2,500,000	-	2,500,000
KIBAGARE TOILET	1,000,000			1,000,000	-	1,000,000
KARUGO TOILET	1,600,000			1,600,000	-	1,600,000
KAGWE TOWNSHIP TOILET	1,600,000	-		1,600,000	-	1,600,000
KIMENDE RENOVATIONS	6,600,000			6,600,000	-	6,600,000
Sulmac		3,600,000		3,600,000	3,368,053	231,947
Wangware		2,400,000	2,000,000	4,400,000	3,546,272	853,728
Gitithia renovation		4,900,000		4,900,000	3,126,603	1,773,397
wangware kitchen			2,375,000	2,375,000	2,105,039	269,961
School desks			12,000,000	12,000,000	11,999,880	120

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Kagaa primary renovations		4,867,305	82,695	4,950,000	4,090,433	859,567
Munyaka Lab			2,013,221	2,013,221	1,720,164	293,057
Kireita Lab		156,329	2,823,709	2,980,038	2,194,432	785,606
Kamburu Lab			2,113,755	2,113,755	1,996,600	117,155
Muthandi		156,329	1,955,303	2,111,632	1,822,079	289,553
Matimbei Lab		156,329	2,262,545	2,418,874	1,908,067	510,807
Kambaa Lab		156,329	2,125,690	2,282,019	1,986,561	295,458
Gakenge Lab		156,329	2,418,145	2,574,474	1,961,083	613,391
Nyamuthanga Lab			1,648,000	1,648,000	1,445,990	202,010
Gibathithi Lab			2,229,910	2,229,910	2,110,925	118,985
Kimende Pry Desks		5,000		5,000	-	5,000
Iria-ini Pry		1,200,000		1,200,000	-	1,200,000
Mirangi Primary		2,400,000		2,400,000	-	2,400,000
Kabungē Lab		5,156,329		5,156,329	4,184,663	971,666
Ngechu 1 class		1,500,000		1,500,000	1,219,393	280,607
Nyamweru 11 clss renovations		6,600,000		6,600,000	6,274,024	325,976
cross road primary		3,600,000		3,600,000	3,346,708	253,292
kereita pry		2,450,000		2,450,000	2,011,940	438,060
kagwe township pry		3,900,000		3,900,000	3,615,706	284,294
Nyamuthanga Pri School		111,356		111,356	-	111,356
Kibathithi Pri School		90,078		90,078	-	90,078

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kamburu Pri School		144,356		144,356	-	144,356
Munyaka Pri School		19,475		19,475	-	19,475
Lari Ngcdf Kirenga Pri School Renovation		174,491		174,491	-	174,491
LCDF Kamae Pri School		40,872		40,872	-	40,872
Lari Ngcdf Magina Pri School		39,531		39,531	-	39,531
Lari Ngcdf Githogoiyo Pri School Renovation		103,533		103,533	-	103,533
Lari Ngcdf Mirangi Pri School		10,912		10,912	-	10,912
Lari Ngcdf Crossroad Pri School		149,509		149,509	-	149,509
Kingatua Pri School PMC		122,388		122,388	-	122,388
Gachoire Pri School PMC		205,466		205,466	-	205,466
Kariguini Pri School PMC		108,740		108,740	59,413	49,328
LCDF Kwaregi Pri School		114,282		114,282	-	114,282
LCDF Gathima Pri School		137,958		137,958	-	137,958
Kirenga Pri School PMC		146,672		146,672	95,426	51,246
Lari Ngcdf Matathia Pri School		198,055		198,055	184,427	13,628
Lari Ngcdf Kirasha Pri School		220,054		220,054	119,894	100,160
Lari Ngcdf Kinale Pri School		121,539		121,539	120,519	1,020
Lari Ngcdf Gituamba Pri PMC		3,643		3,643	-	3,643
Lari Ngcdf Sulmac Pri School PMC		-		-	-	-
Lari Ngcdf Iriaini Pri School PMC		597,283		597,283	452,319	144,964

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Lari Ngcdf Nyamweru Pri School PMC		29,654		29,654	-	29,654
GATHAITI PRY		48		48	-	48
RAGIA FOREST PRIMARY		4,728		4,728	-	4,728
GAKENGE PRIMARY		267		267	-	267
GATHIMA PRIMARY		137,958		137,958	-	137,958
KAMBAA PRIMARY		119		119	-	119
Kago Pri School PMC		681		681	-	681
KIBAGAREBPRIMARY		8,516		8,516	-	8,516
MUGIKO PRIMARY		498		498	-	498
KINALE PRY		3,116		3,116	-	3,116
MBAU-INI PRY		100		100	-	100
KARUGO PRY		6		6	-	6
KARATINA PRIMARY		220		220	-	220
KIJABE PRIMARY		57		57	-	57
MUGIKO PRIMARY		384		384	-	384
Kingatua Pri School PMC		192		192	-	192
Ngechu Pri School PMC		191		191	-	191
KIAMBOGO PRY		148		148	-	148
KARENGE PRIMARY		26		26	-	26
MUTHAI-INI PRIMARY		5		5	-	5

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SULMAC PRY		3		3	-	3
UTUGI PRIMARY		372		372	-	372
MUKEU PRIMARY SCHOOL		1		1	-	1
GITITHIA PRIMARY SCHOOL		1		1	-	1
TAKINYA PRIMARY SCHOOL		1		1	-	1
GATHAITI PRIMARY SCHOOL		1		1	-	1
MUGIKO PRIMAERY SCHOOL		1		1	-	1
MAGINA PRIMARY SCHOOL		1		1	-	1
KAMBAA PRIMARY SCHOOL		1		1	-	1
KWAREGI PRIMARY SCHOOL		1		1	-	1
ESCARPMENT PRIMARY SCHOOL		1		1	-	1
GITHIRIONI PRIMARY SCHOOL		1		1	-	1
ESCARPMENT PRIMARY SCHOOL		34		34	-	34
KIJABE PRIMARY		129		129	-	129
magina		170		170	-	170
					-	-
					-	-
Sub-total	12,500,000	47,908,105	36,047,973	96,456,078	67,066,613	29,389,465
9.0 Secondary Schools Projects	(List all the Projects)					
Karatin Technical secondary Toilet	900,000			900,000	-	900,000

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Bathi 2 classrooms		3,000,000		3,000,000	2,802,386	197,614
Utugi secondary Kitchen			905,000	905,000	-	905,000
Kimende Sec Kitchen			745,000	745,000	-	745,000
Gathaiti			2,255,000	2,255,000	1,641,847	613,153
Kirenga Girls			2,355,000	2,355,000	1,003,010	1,351,990
Mugiko Secondary			1,615,000	1,615,000	941,716	673,284
St Augustine Nyanduma			1,195,000	1,195,000	-	1,195,000
Gathima Secondary			1,395,000	1,395,000	-	1,395,000
Gitithia Mixed			795,000	795,000	608,960	186,040
Bathi Secondary Kitchen			1,365,000	1,365,000	-	1,365,000
Nyamweru Sec Generator		1,000,000		1,000,000	-	1,000,000
Kirenga Girls Sec School		47,368		47,368	-	47,368
Kariguini Sec School		12,048		12,048	-	12,048
Gachema Sec School		16,857		16,857	-	16,857
Lari Ngcdf St. Augustine Sec School		17,206		17,206	-	17,206
Lari Ngcdf Kimende High School		180,418		180,418	-	180,418
Kamburu High School PMC		159,892		159,892	93,104	66,788
LNGCDF Escarpment Sec School		122,832		122,832	-	122,832
Lari LCDF Kamae Sec School		50,844		50,844	-	50,844
Kamuchege Sec School		2,800,000		2,800,000	1,771,608	1,028,392

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Kirenga Girls PMC		158,338		158,338	94,812	63,526
Lari Ngcdf Juvenalis Gitau Sec School		99,863		99,863	-	99,863
KIJABE GIRLS		557		557	-	557
ST JOSEPH THE WORKER		760		760	-	760
NYAMWERU SEC		44		44	-	44
SULMAC SECONDARY		4		4	-	4
UTUGI SECONDARY		4		4	-	4
KAMAHINDU SECONDARY		261,615		261,615	129,189	132,426
KIAMBOGO SECONDARY SCHOL		1		1	-	1
KINGATUA SECONDARY SCHOOL		1		1	-	1
SULMAC SECONDARY PROJECT		730		730	-	730
GITITHIA GIRLS HIGH SCHOOL		2,000		2,000	-	2,000
GITITHIA MIXED SECONDARY		2,880		2,880	-	2,880
KIMENDE HIGH SCHOOL		3,343		3,343	-	3,343
GACHEMA SECONDARY SCHOOL		3,760		3,760	-	3,760
KINGATUA SECONDARY SCHOOL		4,760		4,760	-	4,760
IRIA INI SECONDARY		47,127		47,127	-	47,127
				-		-
Sub-total	900,000	7,993,252	12,625,000	21,518,252	9,086,632	12,431,620
10.0 Tertiary institutions Projects	(List all the Projects)					

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Lari TVC Bus	11,500,000			11,500,000	-	11,500,000
Lari Technical and Vocational Training PMC		25,470		25,470	-	25,470
BATHI COMMUNITY COLLEGE		1		1	-	1
Sub-total	11,500,000	25,471	-	11,525,471	-	11,525,471
11.0 Security Projects						
Escarpment Chief Furniture	215,000			215,000	-	215,000
Bathi Chief	215,000			215,000	-	215,000
Kamburu Chief Furniture	215,000			215,000	-	215,000
Kijabe Chief Office f	215,000			215,000	-	215,000
Kinale Chiefs Furniture	215,000			215,000	-	215,000
Kamburu Chiefs Fence	675,000			675,000	-	675,000
Kijabe Chief Office f	650,000			650,000	-	650,000
Escarpment Chief Fence	650,000			650,000	-	650,000
Bathi Chief fence	650,000			650,000	-	650,000
Kinale Chiefs Fence	1,000,000			1,000,000	-	1,000,000
Kagwe police construction	2,000,000			2,000,000	-	2,000,000
Kamburu Police	4,000,000			4,000,000	-	4,000,000
Kinale Soko Police	4,000,000		3,000,000	7,000,000	-	7,000,000
Kamburu chief office con	3,200,000			3,200,000	-	3,200,000
Kamuchege police post	4,000,000			4,000,000	-	4,000,000

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Karatina chief		3,000,000		3,000,000	-	3,000,000
Kamae Asst Chief			3,000,000	3,000,000	-	3,000,000
Gitithia asst chief office		18,000		18,000	-	18,000
Iriaini Chiefs		74,640		74,640	-	74,640
LCDF Kinale Chiefs Office		42,959		42,959	-	42,959
LNGCDF Kinale Assistant County Commissioner Office		20,295		20,295	-	20,295
LNGCDF Kirenga Assistant Chiefs Office		160,252		160,252	-	160,252
Bathi Chiefs Office PMC		3,000,000		3,000,000	2,806,015	193,985
Escarpment Chiefs Office PMC		3,000,000		3,000,000	2,880,000	120,000
Kagwe Police PMC		5,000,000		5,000,000	-	5,000,000
Kijabe Chiefs Office PMC		3,000,000		3,000,000	-	3,000,000
Lari NGCDF Kinale Chiefs Office		3,000,000		3,000,000	2,856,037	143,963
Lari NGCDF Escarpment Police Post		21,406		21,406	-	21,406
Karatina Chiefs Office						
Kamae Assistant Chiefs PMC						
GITHIRIONI CHIEFS OFFICE		42		42	-	42
Kagaa Chiefs Office		555		555	-	555
UPLANDS POLICE STATION		47		47	-	47
KINALE SOKO POLICE						
KAMBURRU POLICE STATION						

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GITITHIA CHIEFS	303			303	-	303
MBAU-INI CHIEFS OFFICE	57			57	-	57
GITHOGOYO ASST CHIEF OFFICE	164			164	-	164
MATIMBEI ASS CHIEF OFFICE	296			296	-	296
MAGINA CHIEFS OFFICE	16			16	-	16
GITUAMBA CHIEFS	276			276	-	276
ESCARPMENT A.P POST	1			1	-	1
MAGINA AP POST	1			1	-	1
GITUAMBA AP POST	1			1	-	1
KIJABE CHIEFS OFFICE PROJECT	1			1	-	1
KIMENDE POLICE POST	1			1	-	1
KAMBAA CHIEFS OFFICE	1			1	-	1
KIMENDE POLICE POST	90			90	-	90
KARATINA CHIEFS OFFICE	90			90	-	90
KAGWE POLICE POST	90			90	-	90
KIJABE ACCS OFFICE	116			116	-	116
KINALE D.OS OFFICE PROJECT	1			1	-	1
KAMUCHEGE CHIEFS OFFICE	2,000			2,000	-	2,000
Sub-total	21,900,000	20,341,703	6,000,000	48,241,703	8,542,052	39,699,651

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12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)	10,000,000	400,000	-	10,400,000	7,364,800	3,035,200
12.2 Purchase of computers			2,013,132	2,013,132	2,013,132	-
12.2 Construction of CDF office		2,289,259		2,289,259	891,837	1,397,422
Sub-total	10,000,000	2,689,259	2,013,132	14,702,391	10,269,769	4,432,622
13.0 Others						
Kinale ICT	3,000,000	-	-	3,000,000	-	3,000,000
Kimende ICT		2,442,748	-	2,442,748	894,704	1,548,044
Kagwe ICT		2,442,748	-	2,442,748	-	2,442,748
Kinale ACC Office		5,400	-	5,400	-	5,400
Lari TVC ICT Hub		2,798,580	-	2,798,580	2,609,812	188,768
Ict HUBS		172,383	-	172,383	-	172,383
LNGCDF Kimende ICT Hub		136,875		136,875	-	136,875
Lari NGCDF Kagwe ICT Hub		148,046		148,046	-	148,046
Lari NGCDF ICT Hubs PMC Accounts				-	-	-
LARI NGCDF Sports PMC		1,072		1,072	-	1,072
KINALE DIVISION FOOTBALL CLUB		1		1	-	1
LARI DISTRICT VOLLEYBALL CLUBS		1		1	-	1
KIJABE DIVISION FOOTBALL CLUBS		1		1	-	1
LARI DIVISION FOOTBALL CLUBS		1		1	-	1

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LARI DISTRICT SPORTS COMMITTEE PROJECT		1		1	-	1
GATAMAIYU DIVISION FOOTBALL CLUBS		1		1	-	1
MAGINA DISPENSARY		1		1	-	1
MACHANI CATTLE DIP PROJECT		1		1	-	1
CONSTITUENCY STADIUM OFFICE		1		1	-	1
KAMBAA YOUTH CENTRE PROJECT		1		1	-	1
LARI CONSTITUENCY MOTORBIKES SHEDS		1		1	-	1
LARI DISTRICT ORPHANAGE PROJECT		1		1	-	1
KONGOTHIRIA ELECTRICITY PROJECT		1		1	-	1
KINALE WITEITHIE PROJECT		1		1	-	1
SECONDARY SCHOOLS FURNITURE		1		1	-	1
WERU MURU MUNYAKA ROAD PROJECT		1		1	-	1
GITITHIA DISPENSARY PROJECT		1		1	-	1
GITHEMBE CATTLE DIP PROJECT		1		1	-	1
KAMBAA COMMUNITY CENTRE PROJECT		1		1	-	1
NGUANANI WELFARE PROJECT		1		1	-	1
EQUIPMENT PROJECT		1,000		1,000	-	1,000
GITHEMBE WATER PROJECT		2,745		2,745	-	2,745
Lari NG-CDF Strategic Plan		78,582	-	78,582	-	78,582
Sub-total	3,000,000	8,230,200	-	11,230,200	3,504,516	7,725,684

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Funds pending approval**						
unapproved projects	15,000,000	-	9,467,083	24,467,083	-	24,467,083
AiA	-					
Sub-total	15,000,000	-	9,467,083	24,467,083	-	24,467,083
Total	179,441,954	108,422,437	75,557,361	363,421,753	163,535,496	199,886,257

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Lari Constituency principal activity is community assistance and development.

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 Lari 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 Lari has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date. Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act 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	<p><i>Applicable 1st January 2025</i></p> <p>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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>Not applicable this financial year</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>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</p>

	<p>performance.</p> <p>The un-used non-current assets will generate cash that can be used for other operations</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>Not applicable this financial year</i></p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector-specific measurement bases called</p>

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	<p>the current operational value.</p> <p><i>Not applicable this financial year</i></p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Not applicable this financial year</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not applicable this financial year</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not applicable this financial year</i></p>
<p>IPSAS 50:</p>	<p><i>Applicable 1st January 2027</i></p>

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

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) **Related parties**

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

o) **Cash and Cash Equivalents**

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

p) **Comparative figures**

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

q) **Subsequent events**

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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4 Statement of Financial Position As At 30th June, 2025

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	161,977,221	108,422,437
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	37,909,037	75,557,361
Prepayments	22	7,364,800	-
Total Current Assets		207,251,059	183,979,798
Non-Current Assets			
Property, Plant and Equipment	23	1,409,192	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		1,409,192	-
Total Assets (A)		208,660,251	183,979,798
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	5,845,607	1,021,030

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Lease Liabilities	28	-	-
Gratuity provision	29	2,529,070	1,707,634
Total Current Liabilities		8,374,676	2,728,664
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		8,374,676	2,728,664
Net Assets (A-B)		200,285,575	181,251,134
Represented by:			
Revaluation Reserves		200,285,573	181,251,134
Accumulated Surplus			
Total Net Assets		200,285,573	181,251,134

5 Statement of Cash flow For the Year Ended 30th June, 2025

	Notes	<i>Period ended June 2025</i>
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		217,090,278
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		217,090,278
Payments		
Employee costs		3,774,007

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Committee expenses		4,390,227
Use of Goods and Services		7,946,110
Other Government Units Certified Works		76,253,572
Other Grants and Transfers		58,289,132
Digital Hubs Expenses		3,504,516
Total Payments		154,157,563
Net Cash Flows from/ (used in) Operating Activities	28	62,932,715
Cash flows From Investing Activities		
Purchase of PPE		9,377,932
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		9,377,932
Net increase/(decrease) in cash & Cash equivalents		53,554,783
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		53,554,783
Cash and cash equivalents at Period Start	17	108,422,437
Cash and cash equivalents at Period End	17	161,977,220

6. Transfers from the NGCDF Board

Description	Period ended June 2025
	Kshs

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NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Transfers from domestic and foreign partners

Description	Period ended June 2025
	Kshs
Grants	-
Total	-

8. Finance income

Description	Period ended June 2025
	Kshs
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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Total	-
-------	---

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10. Employees cost

	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	3,272,461
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	821,436
Employer Contributions Compulsory national social security schemes	390,770
Employer Contributions Compulsory Housing levy	105,626
Employer contributions to National Industrial Training Authority	5,150
Other Specify	-
Total	4,595,443

11. Committee Expenses

	Period ended June 2025
	Kshs
Sitting allowance	2,265,000
Other Committee expenses	2,125,227
Total	4,390,227

12. Use of Goods and services

	Period ended June 2025
	Kshs
Utilities, supplies and services	179,000
Communication, supplies and services	357,896
Domestic travel and subsistence	1,699,687
Printing, advertising and information supplies & services	392,600
Office Rent	-
Training expenses	618,250
Hospitality supplies and services	840,000
Insurance costs	-
Specialized materials and services	251,000
Office and general supplies and services	1,805,840
Fuel, oil & lubricants	480,000
Bank charges	80,000
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	1,041,837

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	1,
Strategic plan expenses	-
Other operating expenses	200,000
Total	7,946,110

13. Other Government Units Actual expenditure

Description	Period ended June 2025
	Kshs
Primary Schools Actual expenditure	70,834,674
Secondary Schools Actual expenditure	9,457,643
Tertiary Institutions Actual expenditure	-
Total	80,292,317

14. Other Grants and transfers Actual expenditure

	Period ended June 2025
	Kshs
Bursary – secondary schools	25,135,800
Bursary – tertiary institutions	17,442,000
Bursary – special schools	215,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	11,519,308
Climate change mitigation projects	2,040,575
Emergency projects Actual expenditure	2,485,538
Roads projects Actual expenditure	-
Others specify	-
Total	58,838,221

15. Depreciation and Amortization Expenses

Description	Period ended June 2025
	Kshs
Property Plant and Equipment	603,940
Intangible Assets	-
Total	603,940

16. Digital Hubs Expenses

Description	Period ended June 2025
	Kshs
Construction/ renovation/ Actual expenditure	3,741,258

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Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	3,741,258

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17. Gain/loss on Sale of Assets

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

(Provide brief explanation on gains on sale of fixed assets)

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)	108,854,160	70,955,512
<i>Name Of Bank, Account No. (Operations account) EQUITY Account No. 1110295360924</i>	108,854,160	70,955,512
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account) Family Account No. 049000029378</i>	2,529,070	-

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<i>Name of Bank, account No. (PMC accounts)</i>	50,593,992	37,466,924.94
<i>REFERENCE ANNEX 2</i>		
Total	161,977,221	108,422,437
Cash Balances		
Location 1		
Location 2		
Other Locations (<i>Specify</i>)		
Total		
<i>[Provide Cash Count Certificates for Each]</i>		

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

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement 1 July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	37,909,037		75,557,361	
Outstanding imprest	-		-	
Total	37,909,037		75,557,361	
Ageing Analysis- Receivables from non-exchange transactions	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	15,000,000	40%	-	0%
Between 1-2 years	22,909,037	60%	75,557,361.00	100%
Over 3 years	-	-	-	-
Total	37,909,037	100%	75,557,361.00	100%

22. Prepayments

Description	Period ended June 2025		Opening Statement 1 July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>purchase of office motor vehicle and motor bike</i>)	7,364,800		-	
Total	7,364,800		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	2,013,132	-	-	2,013,132
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	2,013,132	-	-	2,013,132
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	603,940	-	-	603,940
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	603,940	-	-	603,940
Net Book Values								

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Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	1,409,192	-	-	1,409,192

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

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

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

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

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24. Intangible Assets

Description	2025
	Kshs
Cost	
Opening balance at 1 st July 2024	-
Additions	-
Disposal	(-)
At end June 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 1 st 2024	-
NBV at June 30 th 2025	-

25. Right-of use assets

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

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period))				
Charge for the period				
As At 30 June 2025 (Current FY)				
Carrying Amount				
As At 30 June 2025 (Current FY)				
As At 30 June 2024. (Comparative Period)				

26. Trade and Other Payables

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

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27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	1,021,030	1,021,030
Retention held during the period (B)	8,316,274	-
Retention paid during the period (C)	3,491,697	-
Closing Retention as at period 2025, D= A+B-C	5,845,607	1,021,030

Retentions aging analysis.

	<i>Period ended June 2025</i>	<i>% of the total</i>	<i>Opening Statement 1st July 2024</i>	<i>% of the total</i>
Less than 1 year	4824576	83%		
1-2 years	1,021,030.00	17%	1,021,030	100%
2-3 years				
Over 3 years				
Total	5,845,606.9	100%	1,021,030	100%

(The total above should be equal to the closing retention)

28. Lease Liabilities

<i>Description</i>	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Balance at the beginning of the year	-	-

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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 period (A)	1,707,634	1,707,634
Gratuity held during the period (B)	821,436	-
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period 2025	2,529,070	1,707,634

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D=(A+B-C)		
-----------	--	--

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	19,034,439
Adjusted for:	
Depreciation	603,940
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	(37,648,324)
Changes in deferred income	-
Changes in Third party deposits	(4,824,577)
Changes in gratuity provision	(821,436)
Changes in payments received in advance	-
Net cash flow from operating activities	62,932,715

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The

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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				
Bank balances				
Total				
As at 30 June 2024				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				

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Total				
-------	--	--	--	--

(NB: The totals column should tie to the individual elements of credit risk disclosed in the Entity's statement of financial position).

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. 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 30 th June 2025				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Gratuity Provision				
Total				
As at 30 th June 2024				

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, 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.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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

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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	2025	<i>Opening Statement 1st July 2025</i>
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash And Cash Equivalentents)		
Gearing	%	%

32. Related Party Disclosures

	2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,265,000	2,294,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	217,090,278	174,742,614
Total	219,355,278	177,036,614

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	2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-

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Others (Specify)	-	-
Total	-	-

(Give details)

Contingent Liabilities

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

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes
Annex 1: Summary of Asset Register

Asset class	Historical cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	4,450,116.00	-	-	4,450,116.00
Transport equipment		-	-	-
Office equipment, furniture, and fittings	831,000.00	-	-	831,000.00
ICT Equipment and Other ICT Assets	1,838,831.00	2,013,132.00	-	3,851,963.00
Other Machinery and Equipment	40,000.00	-	-	40,000.00
Intangible assets				
Total	7,159,947.00	2,013,132		9,173079

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

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

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1st July 2024
Nyamuthanga Pri School	FAMILY	49000026295	111,356.00	111,356.00
Kibathithi Pri School	FAMILY	49000026304	90,078.00	90,078.00
kamburu Pri School	FAMILY	49000026296	144,356.00	144,356.00
Munyaka Pri School	FAMILY	49000026297	19,475.00	19,475.00
Lari Ngcdf Kirenga Pri School Renovation	FAMILY	49000026655	174,491.00	174,491.00
LCDF Kamae Pri School	FAMILY	49000026583	40,872.00	40,872.00
Lari Ngcdf Magina Pri School	FAMILY	49000026652	39,531.00	39,531.00
Lari Ngcdf Githogoiyo Pri School Renovation	FAMILY	49000026654	103,533.00	103,533.00
Lari Ngcdf Mirangi Pri School	FAMILY	49000026990	10,912.00	10,912.00
Lari Ngcdf Crossroad Pri School	FAMILY	49000026991	149,509.00	149,509.00
Kingatua Pri School PMC	FAMILY	49000029075	122,387.50	122,387.50
Wangware Pri School PMC	FAMILY	49000028498	853,728.00	2,400,000.00
Gachoire Pri School PMC	FAMILY	49000028499	205,466.00	205,466.00
Kariguini Pri School PMC	FAMILY	49000028500	49,327.50	108,740.00

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Kago Pri School PMC	FAMILY	49000029076	1,500,000.00	1,500,000.00
LCDF Kwaregi Pri School	FAMILY	49000027590	114,282.00	114,282.00
LCDF Gathima Pri School	FAMILY	49000027607	137,958.00	137,958.00
Crossroad Pri School	FAMILY	49000029343	253,292.00	3,600,000.00
Kirenga Pri School PMC	FAMILY	49000029349	51,246.00	146,672.00
Lari Ngcdf Matathia Pri School	EQUITY	1110284216121	13,628.00	198,055.00
Lari Ngcdf Kereita Pri School	EQUITY	1110284381985	438,060.00	2,450,000.00
Lari Ngcdf Kirasha Pri School	EQUITY	1110284382344	100,160.00	220,054.00
Lari Ngcdf Kinale Pri School	EQUITY	1110284382541	1,020.00	121,539.00
Lari Ngcdf Gituamba Pri PMC	EQUITY	1110284948815	3,643.00	3,643.00
Lari Ngcdf Sulmac Pri School PMC	EQUITY	1110295360924	-	-
Lari Ngcdf Iriaini Pri School PMC	EQUITY	1110284076949	144,963.70	597,282.70
Lari Ngcdf Nyamweru Pri School PMC	EQUITY	1110284241515	29,654.00	29,654.00
Lari Ngcdf Kagwe Township Pri School pmc	EQUITY	1110284215680	284,294.00	2,400,000.00
Ngechu Pri School PMC	FAMILY	49000029897	280,607.00	
Kabunge Pri School PMC	FAMILY	49000029907	815,337.00	
Lari Ngcdf Kamburu Comprehensive School	EQUITY	111028599233	117,155.00	

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Lari Ngcdf Munyaka Pri School PMC	EQUITY	1110285992273	293,057.00	
Lari Ngcdf Kereita Pri School PMC	EQUITY	1110285992103	629,277.00	
Lari Ngcdf Muthandi Pri School PMC	EQUITY	1110285992103	133,224.00	
Lari Ngcdf Matimbei Pri School PMC	EQUITY	111285992454	354,478.00	
Lari Ngcdf Kambaa Pri School PMC	EQUITY	1110285992484	139,129.00	
Gakenge Pri School PMC	FAMILY	49000029904	457,062.00	-
Nyamuthanga Pri School PMC	FAMILY	49000029900	202,010.00	-
KIBATHithi Pri School	FAMILY	49000029944	118,985.00	
Lari Ngcdf Nyamweru Pri School PMC	EQUITY	1110285992637	325,976.00	
Lari Ngcdf Sulmac Pri School PMC	EQUITY	1110284948838	231,947.00	
Kagaa Pri School PMC	FAMILY	49000029898	859,567.00	
GATHAITI PRY	FAMILY	49000027197	48.44	48.44
RAGIA FOREST PRIMARY	FAMILY	49000027198	4,728.44	4,728.44
GAKENGE PRIMARY	FAMILY	49000027594	267.00	267.00
GATHIMA PRIMARY	FAMILY	49000027606	137,958.00	137,958.00
KAMBAA PRIMARY	FAMILY	49000027623	119.00	119.00
IRIA-INI PRIMARY	FAMILY	49000029896	-	-
GITITHIA PRIMARY	FAMILY	49000029908	1,673,070.00	

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Wangware Pri School PMC	FAMILY	49000030074	269,961.00	
Kago Pri School PMC	FAMILY	49000026293	681.00	681.00
KIBAGAREBPRIMARY	FAMILY	49000026298	8,516.00	8,516.00
MUGIKO PRIMARY	FAMILY	49000026300	498.00	498.00
KINALE PRY	FAMILY	49000026303	3,116.00	3,116.00
MBAU-INI PRY	FAMILY	49000026584	100.00	100.00
KARUGO PRY	FAMILY	49000026653	6.00	6.00
KARATINA PRIMARY	FAMILY	49000026662	220.00	220.00
KIJABE PRIMARY	FAMILY	49000026878	57.00	57.00
MUGIKO PRIMARY	FAMILY	49000026879	384.31	384.31
Kingatua Pri School PMC	FAMILY	49000026881	192.02	192.02
Ngechu Pri School PMC	FAMILY	49000026882	190.73	190.73
KIAMBOGO PRY	FAMILY	49000026883	148.36	148.36
KARENGE PRIMARY	FAMILY	49000026983	26.00	26.00
MUTHAI-INI PRIMARY	FAMILY	49000026985	5.00	5.00
SULMAC PRY	FAMILY	49000026989	3.44	3.44
UTUGI PRIMARY	FAMILY	49000026992	371.74	371.74
MUKEU PRIMARY SCHOOL	EQUITY	1110297628255	1.00	1.00
GITITHIA PRIMARY SCHOOL	EQUITY	1110297528695	1.00	1.00

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TAKINYA PRIMARY SCHOOL	EQUITY	1110299785006	1.00	1.00
GATHAITI PRIMARY SCHOOL	EQUITY	1110296825351	1.00	1.00
MUGIKO PRIMAERY SCHOOL	EQUITY	1110297939336	1.00	1.00
MAGINA PRIMARY SCHOOL	EQUITY	1110295741032	1.00	1.00
KAMBAA PRIMARY SCHOOL	EQUITY	1110297548246	1.00	1.00
KWAREGI PRIMARY SCHOOL	EQUITY	1110260435330	1.00	1.00
ESCARPMENT PRIMARY SCHOOL	EQUITY	1110297442581	1.00	1.00
GITHIRIONI PRIMARY SCHOOL	EQUITY	1110195501473	1.00	1.00
ESCARPMENT PRIMARY SCHOOL	EQUITY	1110278739313	34.00	34.00
KIJABE PRIMARY	EQUITY	1110277516571	128.95	128.95
KINALE PRY	EQUITY	1110277443090	170.00	170.00
Kirenga Girls Sec School	FAMILY	49000026302	47,368.00	47,368.00
Kariguini Sec School	FAMILY	49000026294	12,048.00	12,048.00
Gachema Sec School	FAMILY	49000026305	16,857.00	16,857.00
Lari Ngcdf St. Augustine Sec School	FAMILY	49000026986	17,205.93	17,205.93
Lari Ngcdf Kimende High School	FAMILY	49000026880	180,418.31	180,418.31
Kamburu High School PMC	FAMILY	49000028501	66,788.00	159,892.00

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LNGCDF Escarpment Sec School	FAMILY	49000027220	122,832.44	122,832.44
KIJABE GIRLS	FAMILY	4900027221	556.93	556.93
Lari LCDF Kamae Sec School	FAMILY	49000027194	50,844.21	50,844.21
Kamuchege Sec School	FAMILY	49000029362	1,028,392.00	2,800,000.00
Kirenga Girls PMC	FAMILY	49000029361	63,526.00	158,338.00
Lari Ngcdf Juvenalis Gitau Sec School	FAMILY	1110284215588	99,862.70	99,862.70
Bathi Sec School PMC Account	FAMILY	49000029078	197,614.00	-
ST JOSEPH THE WORKER	FAMILY	49000027668	760.00	760.00
NYAMWERU SEC	FAMILY	49000026299	44.00	44.00
SULMAC SECONDARY	FAMILY	49000026987	3.93	3.93
UTUGI SECONDARY	FAMILY	49000027006	3.65	3.65
UTUGI	EQUITY	1110286425606	905,000.00	
KIMENDE HIGH	EQUITY	1110286425913	745,000.00	
GATHAITI SECONDARY	EQUITY	1110286425539	613,153.00	
KIRENGA GIRLS	EQUITY	1110286455111	1,351,990.00	
MUGIKO SEC	EQUITY	111086435955	673,284.00	
ST AUGUSTINE SECONDARY KITCHEN	FAMILY	49000030086	1,195,000.00	
GATHIMA SECONDARY	FAMILY		1,395,000.00	

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GITITHIA MIXED SECONDARY	EQUITY	1110286491940	186,040.00	
BATHI SECONDARY	EQUITY	49000029078	1,365,000.00	
KAMAHINDU SECONDARY	EQUITY	1110284392861	132,426.00	261,615.00
KIAMBOGO SECONDARY SCHOL	EQUITY	110296775606	1.00	1.00
KINGATUA SECONDARY SCHOOL	EQUITY	1110296665422	1.00	1.00
SULMAC SECONDARY PROJECT	EQUITY	1110277573430	730.00	730.00
GITITHIA GIRLS HIGH SCHOOL	EQUITY	1110278870433	2,000.00	2,000.00
GITITHIA MIXED SECONDARY	EQUITY	1110278739398	2,880.00	2,880.00
KIMENDE HIGH SCHOOL	EQUITY	1110196475793	3,342.65	3,342.65
GACHEMA SECONDARY SCHOOL	EQUITY	1110277585743	3,760.00	3,760.00
KINGATUA SECONDARY SCHOOL	EQUITY	1110278686655	4,760.00	4,760.00
IRIA INI SECONDARY	EQUITY	1110277516601	47,126.95	47,126.95
Lari Technical and Vocational Training PMC	FAMILY	49000029350	25,470.00	25,470.00
BATHI COMMUNITY COLLEGE	EQUITY	1110299859867	1.00	1.00
Iriaini Chiefs	FAMILY	49000026301	74,640.00	74,640.00
LCDF Kinale Chiefs Office	FAMILY	49000026504	42,958.97	42,958.97
LNGCDF Kinale Assistant County Commissioner Office	FAMILY	49000027245	20,295.41	20,295.41

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LNGCDF Kirenga Assistant Chiefs Office	FAMILY	49000027295	160,252.42	160,252.42
Bathi Chiefs Office PMC	FAMILY	49000029399	193,985.25	3,000,000.00
Escarpment Chiefs Office PMC	FAMILY	49000029341	120,000.00	3,000,000.00
Kagwe Police PMC	FAMILY	49000029342	5,000,000.00	5,000,000.00
Kijabe Chiefs Office PMC	FAMILY	49000029377	3,000,000.00	3,000,000.00
Lari NGCDF Kinale Chiefs Office	EQUITY	1110285331152	143,963.00	3,000,000.00
Lari NGCDF Escarpment Police Post	EQUITY	1110284819764	21,406.00	21,406.00
Karatina Chiefs Office	FAMILY	49000029824	571,833.00	
Kamae Assistant Chiefs PMC	FAMILY	49000029902	3,000,000.00	
GITHIRIONI CHIEFS OFFICE	FAMILY	49000027236	42.41	42.41
Kagaa Chiefs Office	FAMILY	49000027244	555.41	555.41
UPLANDS POLICE STATION	FAMILY	49000027373	47.10	47.10
KINALE SOKO POLICE	FAMILY	49000029895	-	-
KAMBURRU POLICE STATION	FAMILY	49000029939	-	
GITITHIA CHIEFS	FAMILY	49000026503	302.97	302.97
MBAU-INI CHIEFS OFFICE	FAMILY	49000026506	56.97	56.97
GITHOGOIYO ASST CHIEF OFFICE	FAMILY	49000026650	164.00	164.00
MATIMBEI ASS CHIEF OFFICE	FAMILY	49000026657	296.00	296.00
MAGINA CHIEFS OFFICE	FAMILY	49000026663	16.00	16.00
GITUAMBA CHIEFS	FAMILY	49000026679	276.00	276.00

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ESCARPMENT A.P POST	EQUITY	1110297414630	1.00	1.00
MAGINA AP POST	EQUITY	1110296814922	1.00	1.00
GITUAMBA AP POST	EQUITY	1110297492623	1.00	1.00
KIJABE CHIEFS OFFICE PROJECT	EQUITY	1110299081793	1.00	1.00
KIMENDE POLICE POST	EQUITY	1110295740419	1.00	1.00
KAMBAA CHIEFS OFFICE	EQUITY	1110260522240	1.00	1.00
KIMENDE POLICE POST	EQUITY	1110277585417	90.00	90.00
KARATINA CHIEFS OFFICE	EQUITY	1110277443060	90.00	90.00
KAGWE POLICE POST	EQUITY	1110277443036	90.00	90.00
KIJABE ACCS OFFIECE	EQUITY	1110277516615	116.25	116.25
KINALE D.OS OFFICE PROJECT	EQUITY	1110198357523	1.00	1.00
KAMUCHEGE CHIEFS OFFICE	EQUITY	1110278739358	2,000.00	2,000.00
MAGINA PRIMARY	FAMILY	49000030269	1,950,000.00	
GATHAITI PRIMARY	FAMILY	49000030264	1,950,000.00	
KIRENGA DIGITAL HUB	FAMILY	49000030295	3,800,000.00	
Lari NGCDF Kijabe Pri School PMC	EQUITY	111285620492	114,462.00	

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RUKUMA VIEW POINT COMMUNITY TOILET	EQUITY	1110297259287	1.00	1.00
LARI CONSTITUENCY COMMUNITY TOILET	EQUITY	1110296180300	1.00	1.00
EMERGENCY LARI LCDF PROJECT	EQUITY	1110278962914	1,998.00	1,998.00
ENVIRONMENT PROJECTS PMC	FAMILY	49000029367	5,313,455.00	154,030.00
Lari NGCDF Enviroment	FAMILY	49000027021	128,924.06	128,924.06
SCHOOL FIELDS	FAMILY	49000027534	115,246.65	115,246.65
KANDA WORIRE WATER PROJECT	EQUITY	1110299477698	1.00	1.00
KIMENDE STAGE ENVIRONMENTAL PROJECT	EQUITY	1110297564024	1.00	1.00
BATHI YOUTH ENVIRONMENTAL PROJECT	EQUITY	1110297564138	1.00	1.00
MAINGI ENVIRONMENTAL PROJECT	EQUITY	1110299784624	1.00	1.00
GITITHIA BOREHOLE WATER PROJECT	EQUITY	1110261318018	1.00	1.00
GITUAMBA WAKULIMA ENVIRONMENTAL PROJECT	EQUITY	1110299545022	1.00	1.00
MBAU-INI ENVIRONMENTAL PROJECT	EQUITY	1110299784524	1.00	1.00
BATHI WATER PROJECT	EQUITY	1110299054017	1.00	1.00
GATHAITI WATER PROJECT	EQUITY	1110260434839	1.00	1.00
GATHWARIGA WATER PROJECT	EQUITY	1110299861967	1.00	1.00

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MAGINA WATER PROJECT	EQUITY	1110296775821	1.00	1.00
KARENJE WATER PROJECT	EQUITY	1110261318213	1.00	1.00
MATATHIA KORIO WATER PROJECT	EQUITY	1110295211314	1.00	1.00
ESCARPMENT WATER PROJECT	EQUITY	1110260462998	1.00	1.00
KAMBAA GITHOGOYO WATER PROJECT	EQUITY	1110196142935	430.85	430.85
ESCARPMENT COMMUNITY ENVIRONMENTAL PROJECT	EQUITY	1110199169215	1.00	1.00
MACHANI ENVIRONMENTAL PROJECT	EQUITY	1110160405124	1.00	1.00
LARI CONSTITUENCY ENVIRONMENTAL PROJECT	EQUITY	1110298231344	6,470.55	6,470.55
KAMBAA WATER PROJECT	EQUITY	1110198206272	29,797.05	29,797.05
LARI NGCDF Sports PMC	EQUITY	1110284190627	1,072.00	1,072.00
KINALE DIVISION FOOTBALL CLUB	EQUITY	1110260446866	1.00	1.00
LARI DISTRICT VOLLEYBALL CLUBS	EQUITY	1110260446943	1.00	1.00
KIJABE DIVISION FOOTBALL CLUBS	EQUITY	1110260446762	1.00	1.00
LARI DIVISION FOOTBALL CLUBS	EQUITY	1110260446802	1.00	1.00
LARI DISTRICT SPORTS COMMITTEE PROJECT	EQUITY	1110299475406	1.00	1.00
GATAMAIYU DIVISION FOOTBALL CLUBS	EQUITY	1110260446905	1.00	1.00

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LNGCDF Kimende ICT Hub	FAMILY	49000027247	136,875.00	136,875.00
Lari NGCDF Kagwe ICT Hub	FAMILY	4900027222	148,046.44	148,046.44
Kimende ICT	FAMILY	49000029820	1,548,044.00	
Lari NGCDF Lari TVT	EQUITY	1110285812397	188,768.00	
MAGINA DISPENSARY	EQUITY	1110296775899	1.00	1.00
MACHANI CATTLE DIP PROJECT	EQUITY	1110295212322	1.00	1.00
CONSTITUENCY STADIUM OFFICE	EQUITY	1110299689830	1.00	1.00
KAMBAA YOUTH CENTRE PROJECT	EQUITY	1110299132522	1.00	1.00
LARI CONSTITUENCY MOTORBIKES SHEDS	EQUITY	1110299949646	1.00	1.00
LARI DISTRICT ORPHANAGE PROJECT	EQUITY	1110299234659	1.00	1.00
KONGOTHIRIA ELECTRICITY PROJECT	EQUITY	1110199070859	1.00	1.00
KINALE WITEITHIE PROJECT	EQUITY	1110198357838	1.00	1.00
SECONDARY SCHOOLS FURNITURE	EQUITY	1110196942424	1.00	1.00
WERU MURU MUNYAKA ROAD PROJECT	EQUITY	1110162305522	1.00	1.00
GITITHIA DISPENSARY PROJECT	EQUITY	1110195184969	1.00	1.00
GITHEMBE CATTLE DIP PROJECT	EQUITY	1110195088270	1.00	1.00

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KAMBAA COMMUNITY CENTRE PROJECT	EQUITY	1110196142704	1.00	1.00
NGUANANI WELFARE PROJECT	EQUITY	1110198443652	1.00	1.00
OFFICE FURNITURE & EQUIPMENT PROJECT	EQUITY	1110278531810	1,000.00	1,000.00
GITHEMBE WATER PROJECT	EQUITY	1110195064441	2,745.10	2,745.10
GRANT TOTAL			50,593,991.69	37,466,924.94

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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
OAG/NRO/NGCDF/LARI/2023/2024	Lack of ownership documents for structures valued kshs 4,450,116	This is the NGCDF Lari office building built on the DCC Compound which is land allotted by the KWS. The NG-CDF is in the process of getting the ownwerhip	Not resolved	June 2026

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

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)
		documents		
OAG/NRO/NGCDF/LARI/2023/2024	Under utilization of budgeted funds. In the summary statement of appropriation the actual receipts from the exchequer was kshs 221,820,709 against the budgeted of Kshs 288,615,886 resulting to un-utilization of Kshs 70,955,512	The under utilization was due to projects that had not been approved by the NG-CDF Board at the end of the FY	Resolved	
OAG/NRO/NGCDF/LARI/2023/2024	Failure to return unutilised project management committee balances	The unutilised funds were for projects whose funds had been transferred awaiting implementation	Resolved	
OAG/NRO/NGCDF/LARI/2023/2024	Incomplete projects, Bathi chiefs and	The projects were completed and the	Resolved	

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

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>
	Kinale chiefs	certificate of completion issued	Resolved	

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Name FLORENCE NJUGUNA
Fund Account Manager.