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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
– BOMACHOGE BORABU CONSTITUENCY**

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

Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

BOMACHOGE BORABU 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
NCSA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Bomachoge Borabu 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	Michael Odit Onyango
2.	National Sub-County Accountant	Samwel Nyabuto Motari
3.	Chairman NGCDFC	James Oganda Otwere
4.	Member NGCDFC	Grace Nyangarisa Ondwari(Deposit)
5.	Member NG CDFC	Estariko Moenga Makambi(Alternate Deposit)

(c) Fiduciary Oversight Arrangements

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

NG-CDF Office, Opposite Deputy County Commissioner Office,
Off Kisii-Kilgoris Road at Kenyena Market
Nairobi, KENYA

(e) NGCDF Bomachoge Borabu Constituency Contacts

P.O. Box 132-40211 Kenyena
Telephone: (254) 745 474 175
E-mail: cdfbamachogeborabu@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Bomachoge Borabu Constituency Bankers

1. Operations Account
Equity Bank (K) Limited
Kisii Branch
P.O Box 51133-00200
Nairobi
 2. Deposit Account
Equity Bank (K) Limited
Kisii Branch
P.O Box 51133-00200
Nairobi
 3. PMC Account
Equity Bank (K) Limited
Kisii Branch
P.O Box 51133-00200
Nairobi
- Kenya Commercial Bank
Kilgoris Branch
P.O Box 125-00200
Kilgoris

(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

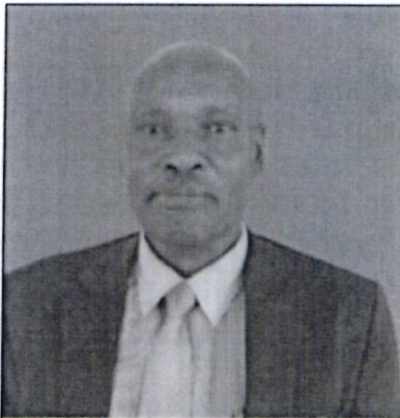
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

Name	Details
 <p>James Oganda Otwere: NG-CDFC Chairman</p>	<p>Date of birth: 10th June 1969. Academic Qualifications: Form four. Work Experience: H Young Company (Support Staff) 2007-2010. Currently a businessman and Serving as Bomachoge Borabu NG-CDF Committee Chairman.</p>
 <p>Grace Nyangarisa Ondwari: NG-CDFC Secretary</p>	<p>Date of Birth: 1st January 1959. Academic Qualification: Diploma in Education Management Work Experience: Teaching and Serving as the head teacher until retirement on 19th December 2019. Currently a poultry farmer and serving as Bomachoge Borabu NG CDF Committee secretary.</p>
 <p>Festus Oganda Ontita: NG-CDFC Male Youth Representative</p>	<p>Date of Birth : 12th August 1997 Academic Qualification: Diploma (KRCHN) (KMTTC), Bachelors of Art University of Nairobi Work Experience :Currently an intern Nurse in RAM Training College and serving as Bomachoge Borabu NG CDFC Committee Male youth representative.</p>
 <p>Truphena Kwamboka Sereti:</p>	<p>Date of Birth: 1st January 1992. Academic Qualification: Grade 2 Plant Mechanics. Work Experience: From 2016-2018 working at Alpha Fine foods Ltd, 2018-2022 X for Security Solutions Ltd. Currently working as a peasant farmer and serving as Bomachoge Borabu NG CDFC Committee Member</p>

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Female Youth Representative	
 <p>Mary Moraa Akama: NG-CDFC Adult Female Representative</p>	<p>Date of Birth: 1st January 1969 Academic Qualifications: Form Four (O Level). Work Experience: Worked as a business lady to date and currently serving Bomachoge BorabuNG CDFC Committee member.</p>
 <p>Astariko Moenga Makambi: NG-CDFC PLWD Representative</p>	<p>Dates of Birth : 1st January 1966 Academic Qualifications: Form Four (O level) Work Experience: Currently working as businessman and serving NGCDFC Committee Member Bomachoge Borabu Representing PLWD.</p>
 <p>Donald Mogere Ogetange: NG-CDFC Co-opted Member</p>	<p>Date of Birth: 1st July, 1959. Academic Qualification: Graduate Teacher Work Experience: Employed as a graduate teacher in the year 1990 and got promoted to principal status in year 2000 up to retirement in the year 2016: Currently working as a business man and serving as Bomachoge Borabu NG CDFC Committee Member</p>
 <p>Nathan Ongaga Osoro: NG-CDFC Male representative</p>	<p>Date of Birth: 30th December 1963. Academic Qualifications: Form 6. A level with ACNC Course. Work Experience: Teaching from 1987 to 1989 Nyamonyo Secondary, 1995 to 1996. to 2022 Bomachoge Borabu Constituency Oversight committee. Currently Working with a printing firm and as a Bomachoge Borabu NG CDFC Committee Member</p>



William K Bett:
DCC Kenya Sub-County

Date of Birth: 22nd June 1969
Academic Qualification: Masters in Administration
Work Experience: Currently serving Deputy County
Commissioner Kenya Sub County and a Bomachoge
Borabu NG-CDFC Committee Member.



Michael Odit Onyanyo:
Fund Account Manager

Date of birth :11th August 1977
Academic Qualification: Undergraduate BCOM, MS
Finance University of Nairobi, CPA part 3.
Work Experience: Served as Fund Account Manager
NG-CDF board for the last 15 years, currently serving at
Bomachoge Borabu NG-CDFC as an ex-officio Member.

All the committee members were retained to serve the second term.

4. NG-CDFC Chairman's Report



James Oganda Otwere
Bomachoge Borabu-NG CDF Chairman

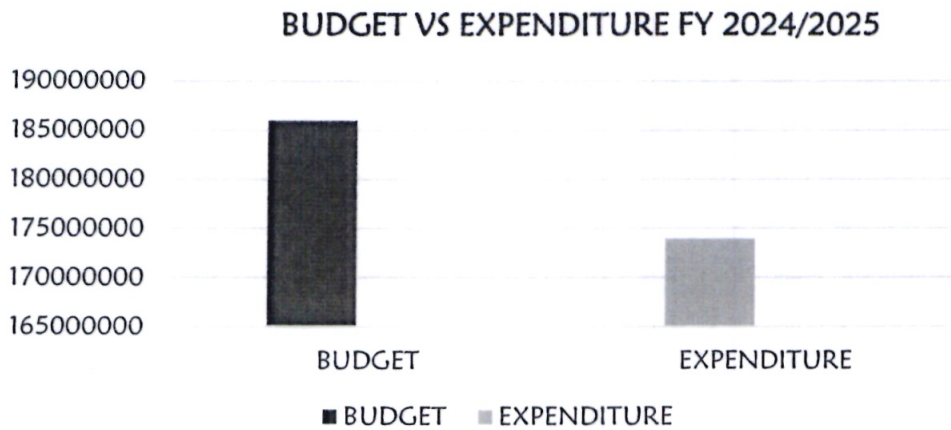
During 2024/2025 financial year under review Bomachoge Borabu Constituency received Kshs. 185,976,103 from NGCDF Board. This was inclusive of the previous year's outstanding funds pending approval from the NG CDF board. A total of Kshs. 57,976,103 received was from the previous year's disbursement and additional of Kshs. 128,000,000 being part of FY 2024/2025 approved allocations of Kshs. 170,469,846.74. At the closure of the financial year under review a total of Ksh.42, 469,856.74 had not been approved for disbursement or had not been disbursed from the NG CDF board.

The Constituency Committee allocated and transferred funds into various PMC projects amounting to Kshs. 173,987,125.31 that translates to 82.8% of the total disbursed funds by the board within the financial year 2024/2025.

The following is the graphical analysis of the annual budget against the annual expenditure for the FY 2024/2025

1. BUDGET VS EXPENDITURE FY 2024/2025

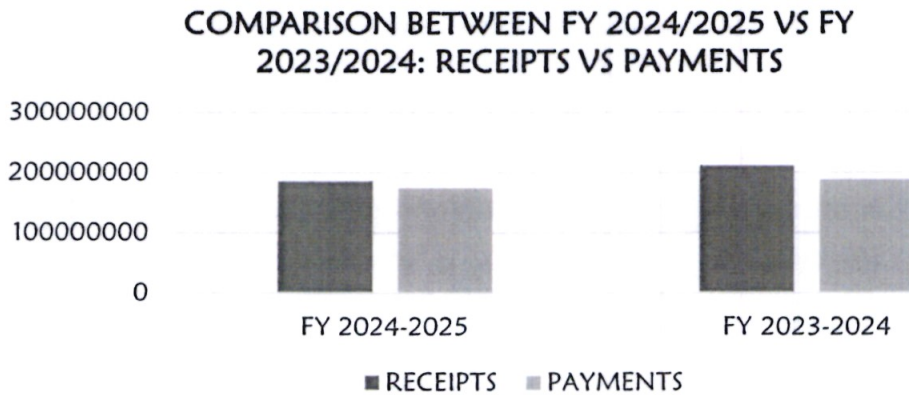
PAYMENT	BUDGET	ACTUAL
Compensation of Employees	10,341,060	8,992,905
Committee Expenses	3,720,687	3,268,391
Use of goods and services	9,767,879	6,380,382
Transfers to other government units	175,608,712	103,391,659
Other grants and transfers	92,277,830	78,576,036
Other Payments	6,298,000	813,666
TOTAL	300,398,435	201,561,044



Bomachoge Borabu NG-CDF has implemented various projects within the constituency during the financial year 2024/2025 under review.

Below is the graphical analysis that shows the comparisons between financial years 2024/2025 and financial years 2023/2024 both in receipts and payments.

2. COMPARISON BETWEEN FY 2024/2025 VS FY 2023/2024: RECEIPTS VS PAYMENTS



Key Achievements

During the financial year under review 2024-2025 the Committee managed only to implement projects carried forward from the previous financial year 2023-2024 that were implemented in the financial years 2024/2025. The committee also managed to disbursed bursaries totaling to Ksh. 70 Million for the financial year 2024-2025.

Provided below are some of the sample pictures of the projects implemented during the financial year 2024/2025



Gesabakwa SDA Comprehensive School : Construction to completion of 3 classrooms

Achievements

- Due to completion of the school learners enrolment has increased
- Job creation
- Learners have enough space for studying



Igorera PAG Comprehensive School: Construction to completion 12 Classrooms On a Storey Building

Achievements

- Increased number of students registration
- Job creation
- Good relationship between the communities around the school
- The project has improved businesses around through selling of construction materials



Mosensema Secondary School: Construction Of a Modern Kitchen

Achievements

- Business has increased e.g selling of food stuffs
- Jobs created e.g people from around the community are employed as school cooks
- Students and teachers are able to get food prepared from the kitchen



Iyenga Secondary School Construction Of a 6 Door Pit Latrine

Achievements

- Job creation
- Business increased

Emerging Issues

Emerging issues include:

1. Technological advancement in the E-GPS procurement system.
2. High poverty index leading to high needs towards bursary kitty

Challenges and Way Forward

The most serious challenge is the projects implementation timeline witnessed by the committee during the financial year due late disbursement of funds of which majority were disbursed in the last week of the financial year and some funds disbursed after the closure of the financial years this negatively impacted on the funds absorption and non-implementation compliance of projects and timelines.

Main challenges;

3. High demand for bursary due to high poverty index.
4. High cost of living that has affected the cost of construction materials as a result the cost of building classrooms and other government structures to be higher and hence less number of projects allocated for construction within the financial year.

Way forward;

1. The provision for increase in bursary allocation to be considered in order for students access education
2. Increase in projects allocation to enable implementation of many projects across the constituency.

The NGCDF Board should therefore endeavor to ensure timely approval of the allocations and disbursement of funds to the committees for timely implementation of projects.



.....
**Name; James Oganda Otwere
Chairman NG-CDF Committee**

5. Statement of Performance against Predetermined Objectives for FY2024/25

Introduction

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

The key development objectives of the NGCDF Bomachoge Borabu Constituency 2022-2027 plan is:

1. Education Accessibility
2. Environment and Natural Resources
3. Youth empowerment Activities
4. Security
5. Administration and Governance
6. Information Communication Technology
7. Emergency
8. Monitoring and Evaluation

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To improve and Expand education infrastructure	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 We constructed Three (3) classrooms in Nyangeti Primary School, Endereti Primary School, Ndereti Primary School, Magenche DOK Primary School; One (1) Classroom in Rianyangita

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				<p>Primary School; Completion of Twelve (12) classrooms in Igorera Primary school, Construction of phased projects like 8 number classrooms on a one storey building in Kiru SDA Primary School, Riyabu Secondary School, Mokubo SDA Primary school and Kenyoro PAG Primary School, renovated some classrooms and some are ongoing projects.</p> <p>Bursary disbursements to institutions in favour of 13,000 beneficiary students as per our bursary policy to a tune of Ksh. 70 million</p>
Youth Empowerment Activities	To Nurture talent and empower the youth economically	Equipping Youth with Skills for Employability, Business, and Entrepreneurship	Number of youths equipped with skills for employability, business and entrepreneurship	We managed to create one program that incorporated 500 youths through ICT training program.
Security	To enhance security in the entire constituency	Enhancing physical infrastructure for security and public	Number of infrastructures for security and public administration	We completed renovation works at Kiango Patrol Base a 12 roomed office in

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		administration personnel	personnel	Bokimonge ward.
Administration and governance	To continually improve on the quality of Bomachoge Borabu NG-CDF and enhance efficiency on provision of public service for sustained socio-economic transformation	Training and capacity building of NGCDF members	Number of training Trainings held for committee and staff Number of consultative meetings held with technical officers and key stakeholders	One training done to the committee, staff and technical officers at regional level; and four (4) trainings conducted internally. Two consultative meetings held at regional levels.
Information communication and Technology	Seek to Implement Digital Transformation during the plan period through enhancement of ICT infrastructure and services	Construct and equip ICT centers across the constituency	Number of ICT centers implemented across the constituency	At planning stage
Climate change mitigation activities	To promote environmental sustainability in the constituency	Purchase of tree seedlings and plant	Number of renewable energy sources Number of tree seedling purchased and planted	We have already implemented planting of 283 tree seedlings in every 59 schools totaling to kshs. 16,697 seedlings.
Monitoring and Evaluation	To strengthen the M&E function to improve tracking of implementation NG-CDF programs	Train NG-CDFC members on Participatory Project M&E	We did four (4) visits to both completed projects and ongoing.	The NG-CDFC conducted four (4) Monitoring and Evaluation exercises; one (1) per quarter

6. Governance Statement

Appointment of NG-CDFC

The establishment of the National Government Constituency Development fund Committee consist of;

- a) The national Government official responsible for the coordination of national government functions.
- b) Two men each nominated in accordance with sub section (3) of the NG CDF Act 2015, one of whom shall be a youth at the date of appointment.
- c) Two women nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment.
- d) One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with sub section (3) of the Act
- e) Two persons nominated by the constituency established under regulations made pursuant to the parliamentary service Act.
- f) The officer of the board seconded in the constituency committee by the board who shall be an ex-officio member without a vote.
- g) One member coopted by the board in accordance with the regulations made by the board.

The quorum of the constituency committee shall be one half of the total membership.

The term of office of the members of the constituency committee shall be two years and shall be renewable but shall expire upon the appointment of a new constituency committee in the manner provided for in the act or as may be approved by the board.

Whenever a vacancy occurs in the constituency committee by reasons of resignation, incapacitation or demise of a member, the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of thirty days.

The constituency committee shall meet at least six times in a year but the committee shall not hold more than twenty four meetings in the same financial year including subcommittee meetings.

NG-CDFC Tenure

Section 43(8) of the NGCDF Act 2015 provides that the term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board. The committee appointed vide Gazette Notice Vol. CXXII, No. 154 dated November 29, 2022 served until November 28, 2024 and a new committee appointed on April 8, 2025. The term of the new committee will expire on April 7, 2027.

Removal from office;

A member of the constituency office may be removed from office on any one or more of the following grounds;

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

A decision to remove a member under subsection (13) shall be made through a resolution of at least five members of the committee and the member sought to be removed shall be given a fair hearing before the resolution is made.

Dissolution of constituency Committee

A person may present a petition to the board for the dissolution of a constituency committee setting out the alleged facts constituting any one or more of the following grounds for dissolution

- a) A serious violation of the constitution or any other law including a contravention of chapter Six
- b) Gross misconduct, weather in performance of the member's or office holder's function or otherwise;
- c) Incompetence
- d) Bankruptcy or
- e) Any other cause as may be deemed justifiable

Functions of the NG CDFC

- i. Capacity build Project Management Committees and sensitize the Community on the operations of the Fund
- ii. Consider all project proposals from all wards in the constituency and any other projects which the Committee considers beneficial to the constituency;
- iii. Ensure that all projects, proposed and approved for funding meets the requirements of Section 24 of the Act.
- iv. Ensure Project proposals submitted to the Board include detailed budget proposal, procurement and work plans
- v. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
- vi. Monitor the implementation of projects as per the Monitoring and Evaluation framework prescribed by the Board;
- vii. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- viii. Ensure labeling of projects as per guidelines issued by the Board;
- ix. Recruit staff as per Section 45 of the Act.

Gazettement of NG-CDFC Members

The NG-CDFC members were gazetted on 21st May 2025 vide notice Number; 6462 Vol. CXXVII—No. 98.

b. NG-CDFC Induction and training

In the year 2024/2025, the NGCDF Committee were trained by the NGCDF Board. The training focused on enhancing committee's knowledge in key areas critical to effective fund management, governance, and operational efficiency. Key topics included an overview of the NGCDF Act and its regulations, construction management, project cycle management, financial management under the PFM Act, and performance contracting.

The training emphasized the importance of gender mainstreaming, environmental and disaster management, audits and risk management, quality management systems, and compliance with procurement laws. Additionally, the program addressed human resource

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management, taxation and statutory requirements, governance, integrity, corruption prevention, communication linkages with stakeholders, and safeguarding NGCDF funds. The comprehensive training aimed to equip committee members with the skills necessary to manage NGCDF projects effectively while ensuring transparency, accountability, and adherence to statutory guidelines.

c. Number of meetings;

NG-CDF Act Section stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Bomachoge Borabu Constituency, the NG-CDF Committee conducted eighteen meetings and, six sub-committee meetings.

Name of committee member	Meetings held											
	4/7/24	29/8/24	30/9/24	30/10/24	15/11/24	10/10/24	21/12/24	10/1/25	14/2/25	25/4/25	30/5/25	4/6/25
James Oganda-Chairman	√	√	√	√	√	√	√	√	√	√	√	√
Grace Ondwari-Secretary	√	√	√	√	√	√	√	√	√	√	√	
Festus Oganda-Member	√	√	√	√	√	√	√	√	√	√	√	√
Truphena Sereti-Member	√	√	√		√	√	√	√	√	√	√	√
Mary Moraa- Member	√	√			√	√	√	√	√	√	√	
Astariko Makambi- Member	√	√		√	√	√	√	√	√	√	√	
Donald Mogere- Member	√	√	√		√	√	√	√	√	√	√	√
Nathan Osoro- Member	√	√			√	√	√	√	√	√	√	√
William Bett-DCC	√	√			√	√	√	√	√	√	√	√
Michael Odit-Fund Account Manager	√	√	√		√	√	√	√	√	√	√	√

d. Remuneration Rates

Each is entitled to Ksh. 5,000 per member and Ksh 7,000 for the chairperson.

e. Disclose the policy on conflict of interest

The Members are required to declare any conflict during meetings, which whenever declared, would be recorded in the minutes and in the register.

f. Succession plan

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

g. Ethics and code of conduct

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

h. Risk Management

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

- Identify and mitigate risks
- Identify and report

7. Management Discussion and Analysis

Overview

Bomachoge Borabu constituency over the five years has pursued the goal of equality and fairness through the national government constituency development fund since most of regions were undeveloped. NG CDFC committee has managed to disburse funds to various wards within the constituency aiming at transforming them through projects initiated by the committee guided by the NG CDF act. The main goal for the implementation of the projects is to have sustainability of the people within the constituency. The projects implemented have created jobs like construction, quality education offering equality to all children within bomachoge borabu and self-reliance by providing training for youths.

a) Sector Performance

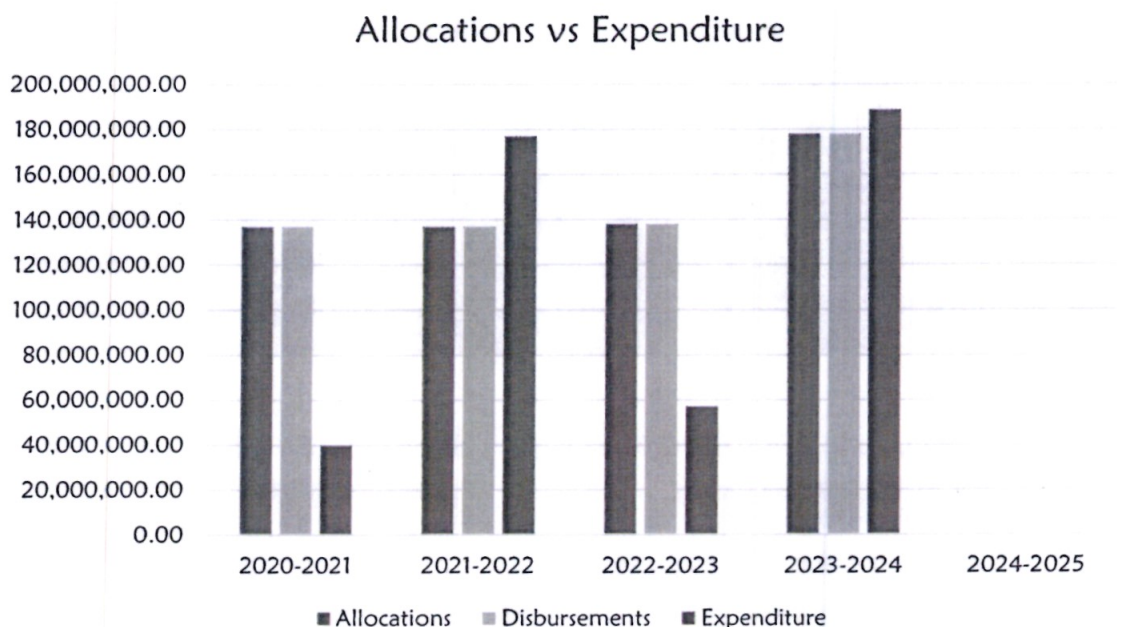
Bomachoge Borabu NG-CDF has been operational since 2013 but would provide financial analysis for the past five years on how much the entity has received and spend in the various critical sectors being Education and Security.

Bomachoge Borabu NG-CDF management would like to provide a detailed analysis of its performance in the various areas of operation and financial as follows;

Financial Year	Allocation	Amount Disbursed	Expenditure
2020-2021	137,112,879	137,112,879	39,908,363
2021-2022	137,088,879	137,088,879	176,997,242
2022-2023	138,215,033	138,215,033	56,993,969
2023-2024	177,976,103	177,976,103	188,575,759
2024-2025	170,469,857	170,469,857	169,656,551
Total	760,862,751	760,862,751	632,131,884

From the above data, Bomachoge Borabu NG-CDF has been able to receive a total of Ksh **760,862,751** within the last five financial years. The resources have been utilized to improve the various sectors in terms of infrastructure and provision of bursaries to needy students in secondary and tertiary institutions.

Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of % of the entire allocation and secondly the security sector with average of %. This is an indicator that the Fund has put more efforts in improving the academic standards of Bomachoge Borabu Constituency through both the infrastructure and bursaries to needy students studying in various institutions



Further from the above analysis, it is important to note that the Fund has been able to serve the rural communities and be able to improve on the living standards of the people, poverty eradication being one of its key objectives. The management advocates for more resource allocation to further improve on its mandate.

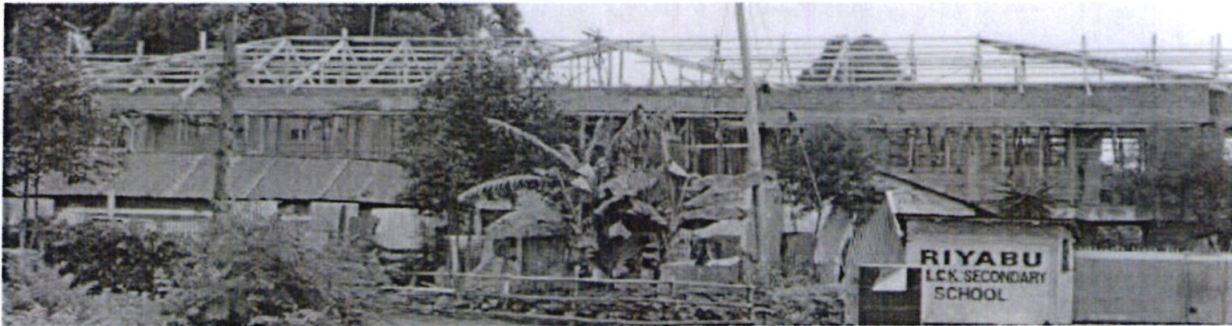
b) Key Projects

Bomachoge Borabu NG-CDF has been able to undertake key projects that will go into improving the infrastructure standards and also providing job opportunities to the residents of Bomachoge Borabu Constituency.

The Fund has also been able to construct additional classrooms, Administration offices, science laboratories and renovations in the various primary and secondary schools, key

among them are the ongoing storey buildings in; Oroche Primary School, Nyakorere Primary School, Kiru Primary and Riyabu Secondary buildings when complete shall be able to decongest the learning space for the students and provide conducive learning environment for the schools. They have also reduced the pressure on additional land for the institutions which has been a great challenge.

Provided below are some of the sample pictures of the key projects implemented



Riyabu ELCK Secondary School: Construction of 8No classrooms on a 1 storey building.



Oroche DOK Primary School: Construction of 12No classrooms on a 2 Storey Building



Nyakorere Primary School: Construction of 12 No classrooms on a 2 storey building.



Kenyoro PAG School: Construction of 8 No classrooms on a 1 storey building.



Kiru SDA Primary School: Construction of 12 No classrooms on a 2 storey building.

A part from the key projects indicated above, Bomachoge Borabu NG-CDF has equally provided infrastructure to various institutions across the constituency including the recent matching fund arrangement with the Ministry of Education to construct Junior Secondary School classrooms

c) Compliance with statutory requirements.

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

For instance, schedule four of the constitution 2010 has outlined the roles of National Government and County Government and in no instance has Bomachoge Borabu been cited for non-compliance.

Bomachoge Borabu NG-CDF has been able to equally meet its obligations for instance payment of taxes like VAT withholding tax from contactors, Pay As You Earn Tax and Withholding Tax as required and further commits to operate within the law even to the future.

d) Review of the Economy and Sector

The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 2019 that reduce the business growth and hence revenue collection. NG-CDF as a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines and even the budget process.

In the last three years there has been improvement in the revenue growth which has led to increased budgetary allocation of the Fund even at the constituency level. This has been elaborated in the above table.

With the intention to entrench the Fund in the Kenyan Constitution, there is a good chance that in the future the Fund will grow and be able to spur more economic growth at the constituency level. Bomachoge Borabu NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years

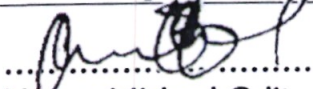
e) Major risk facing the fund

The fund is affected by policy instability where shifts in government and policy changes which disrupts long term projects and removal of the fund.

f) Future development

The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 2019 that reduce the business growth and hence revenue collection. NG-CDF as a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines and even the budget process. In the last three years there has been improvement in the revenue growth which has led to increased budgetary allocation of the Fund even at the constituency level.

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



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Name: Michael Odit
Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

The impacts of climate change such as resource scarcity and food insecurity can lead to heightened security risks including conflict between family members and neighbouring constituencies, it's because of this we are committed to building more prosperous future by providing services and projects that meet the development needs of our constituents.

3. Sustainability strategy and profile -

To ensure sustainability of Bomachoge Borabu NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Bomachoge Borabu 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 intention to provide better working environment for the security providers within the constituency as well 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 the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

4. Environmental performance

5. In the FY 2024/2025 we were able to disburse a total of Ksh 13.4 Million to various schools to cater for emergency cases during, construct pit latrines to keep the environment clean and planted indigenous trees to 90 schools to conserve the soil.

6. Employee welfare

We invest in providing the best working environment for our employees. Bomachoge Borabu 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. Bomachoge Borabu 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.

7. Marketplace practices-

Bomachoge Borabu Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

8. Community Engagements-

Bomachoge Borabu 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

Bomachoge Borabu 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 NG CDF 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.

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

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Name: Michael Odit Onyango
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-Bomachoge Borabu 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-Bomachoge Borabu 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 Bomachoge Borabu 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-Bomachoge Borabu Constituency further confirms the completeness of the accounting records maintained for the Bomachoge Borabu, 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 Bomachoge Borabu Constituency confirms that the Bomachoge Borabu NG-CDF 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 Bomachoge Borabu NG-CDF 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- Bomachoge Borabu Constituency financial statements were approved and signed by the Accounting Officer on 30th June 2025.



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Name: James Oganda Otwere
Chairman – NGCDF Committee



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Name: Michael Odit Onyango
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BOMACHOGE BORABU 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 – Bomachoge Borabu Constituency set out on pages 1 to 82, which comprise of the statement of financial position as at

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

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 – Bomachoge Borabu 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, 2025 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0. Non-Compliance with Financial Reporting Framework and Inaccuracies in Financial Statements

Audit review of the annual report and financial statements as presented for audit revealed the following inconsistencies:

- i. While signing the financial statements, the National Sub County Accountant did not indicate his ICPAK Number as required.
- ii. The statement of financial position reflects gratuity provision balance of Kshs.1,984,259, while Note 19 on cash and cash equivalents indicates deposits account balance of Kshs.1,304,624, resulting in an unreconciled variance of Kshs.679,635.
- iii. The statement of changes in net assets reflects amounts/balances as "Revaluation Reserves", while the financial statements for current and prior years indicate that these amounts/balances relate to accumulated surplus, not reserves.
- iv. Note 30 to the financial statements on cash generated from operations reflects net cash flow from operating activities of negative Kshs.14,755,275 which differs with the re-cast total of negative Kshs.47,779,207, resulting in a variance of Kshs.33,023,932. The variance arose because decrease in receivables of Kshs.15,506,246 and increase in gratuity provision of Kshs.1,043,676 are indicated as cash outflows, instead of cash inflows, while increase in prepayment of Kshs.37,956 is indicated a cash inflow, instead of cash outflow.

In the circumstances, the accuracy and fair presentation of the financial statements could not be confirmed. Also, the financial statements do not comply with the accounting standards as prescribed by the Public Sector Accounting Standards Board, in line with Section 81(3) of the Public Finance Management Act, 2012, since they were prepared by a non-member of ICPAK and, therefore, Management was in breach of the law.

2.0. Undisclosed Delayed Remittance of Statutory Deductions

The statement of financial position reflects nil balance in respect of trade and other payables. However, Kenya Revenue Authority (KRA) served the Constituency a tax review letter on the 22 January, 2025, which indicated that an amount of Kshs.5,846,487 had not been paid hence, accumulating penalty and Interest of Kshs.584,649 and Kshs1,753,946 respectively, resulting in total amount payable to KRA of Kshs.8,185,082 which was not reported in the financial statements.

In the circumstances, the accuracy and fair presentation of the nil payables balance 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 - Bomachoge Borabu 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

1.0. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted revenue of Kshs.300,398,435 and actual revenue on comparable basis of Kshs.257,928,578, resulting in an underfunding of Kshs.42,469,857, or 14% of the budget. Similarly, out of the actual revenue of Kshs.257,928,578, the Fund spent Kshs.201,561,044, resulting in underutilization of Kshs.56,369,534 or 22%.

Further, the statement reflects total expenditure final budget amount of Kshs.300,398,435 which includes Kshs.25,300,000 allocated to the following seven (7) projects that had been approved for implementation during the year under review, but had not started as at 30 June, 2025:

Name of Project	Activities	Amount Allocated (Kshs.)
Kenyenya Primary School	Completion of 12 classrooms	3,100,000
Nyamisaro Primary School	Construction to completion of three classrooms	10,000,000

Name of Project	Activities	Amount Allocated (Kshs.)
Omosobwa Primary School	Construction to completion of three classrooms	3,000,000
Botaranda Primary	Additional funds for completion of three classrooms	2,700,000
Iyenga secondary school	Construction to completion of one classroom	1,500,000
Ichuni chief's Office	Construction of two-roomed chief's office	1,500,000
Kenyenyan DCC office Digital Hub	Renovation to completion of an existing building into a digital hub	3,500,000
Total		25,300,000

The underfunding, underutilization and non-implementation of projects affected planned activities and may have impacted negatively on service delivery to the constituents of Bomachoge Borabu.

2.0. Late Disbursement from NG-CDF Board

The statement of financial performance, and as disclosed in Note 6 to the financial statements, reflects transfers from the NGCDF Board amount of Kshs.170,469,857 which includes Kshs.42,000,000 received in the months of May and June, 2025 as detailed below:

Date	AIE No.	Amount (Kshs.)
28 May, 2025	B327545	21,000,000
19 June, 2025	B278776	21,000,000
Total		42,000,000

The late disbursements affected planned activities and may have impacted negatively on service delivery to the constituents of Bomachoge Borabu.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Prior Year Matters

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

of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved:

S/No.	Financial year	Findings
1	2023/2024	Budgetary Control and Performance
2	2023/2024	Late Disbursement form NG-CDF Board
3	2023/2024	Excess Recruitment of Staff
4	2023/2024	Failure to Comply with the Law on Gender Balance
5	2023/2024	Unimplemented Projects

Other Information

The Management is responsible for the Other Information set out on page iv to xxxvii which comprises Key Constituency Information and Management, NG-CDF Chairman's Report, Statement of Performance against Predetermined Objectives, Governance Statement, Environment and Sustainability Reporting and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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

1.0. Over Recruitment of the Staff

The statements of financial performance reflect employee costs amount of Kshs.6,280,817 as disclosed in note 10 to the financial statement. However, review of records revealed that the Constituency Committee had nineteen (19) staff, contrary to the

requirements of the CDF Circular Ref. CDF Board/ Circulars/Vol.1.1/116 dated 24 June,2013.

In the circumstances, Management was in breach of the CDF Circular.

2.0. Non-compliance with the Law on Gender Balance

Analysis of the Fund's staff bio data for the year under review revealed that male employees were fourteen (14) or 74%, contrary to the provisions of Article 27(8) of the constitution of Kenya, 2010.

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

3.0. Delayed Completion of Projects

3.1. Mokomoni Primary School

The contract for construction of two storey tuition block was awarded to a company at a contract sum of Kshs.19,998,152 out of which, a total of Kshs.17,000,000 had been certified and paid as at 30 June, 2025. Review of project records followed by project verification on 9 October, 2025 revealed that the project was not complete with notable remaining works being painting, glazing of windows, and installation of ceiling. The contractor was not on site at the time of verification.

3.2. Kenyoro Primary School

The contract for construction of eight (8) classrooms at Kenyoro Primary School was awarded to a company at a contract sum of Kshs.20,583,337. The contract was for two (2) years with the expected completion date of 13 December, 2025. A total of Kshs.13,002,202 had been paid to the contractor as at 30 June, 2025. However, examination of project documents followed by project verification on 9 October, 2025 revealed that two (2) months to expiry of the contract period, the project was not complete with notable remaining works being painting, glazing of windows, brandering and ceiling and electrical works. The contractor was not on site at the time of verification.

3.3. Kiiru Primary School

The contract for construction of a one-storey block with eight (8) classrooms at Kiiru Primary School was awarded to a company at a contract sum of Kshs.20,346,783 on 19 December, 2023. The contract was for two (2) years with the expected completion date being 13 December, 2025. A total of Kshs.8,543,076 had been paid to the contractor as at 30 June, 2025. However, examination of project documents followed by project verification on 9 October, 2025 revealed that 2 months to expiry of the contract period, the project was not complete with notable remaining works being painting, flooring, glazing of windows, plastering, brandering and ceiling and electrical works. The contractor was not on site at the time of verification.

3.4. Unconfirmed Levelling of School Playground at Nyabongo Primary School

The contract for levelling of School playground at Nyabongo Primary School was awarded to a company at a cost of Kshs.1,500,000 which had been fully paid as at 30 June, 2025. The works involved included levelling, backfilling and cut-off drains. Examination of project documents followed by project verification done on 9 October, 2025 revealed that the contractor did substandard work as the field was not level. The Contractor also left rock outcrops in the field that could pose danger to field users.

It was also noted that the County Government of Kisii (Executive) officials visited the School on 9 March, 2025 and a site handing over ceremony was done for the same play field, an indication that the project was implemented by the County Executive of Kisii. This was corroborated by the Head Teacher of the School and the visitors book where the officials signed. Additionally, there was no signage at the School to indicate that the NG-CDF - Bomachoge Borabu Constituency did the works.

In the circumstances, the value for money realized from the expenditure of Kshs.40,045,278 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.0. Weak Internal Audit Function

The Fund had two internal audit functions at the Sub-County National Treasury and the Internal Audit Department at the National Government Constituencies Development Fund Board level. However, during the year under audit, no internal audit reports were provided for audit, contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which

states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

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

2.0. Ineffective Audit Committee

Review of records, revealed that the Fund had no audit committee appointed as at the time of audit, nor was there evidence that The National Treasury approved the sharing of an audit committee of another entity. This was contrary to the provisions of Regulation 174, Paragraph (1) and (2) of the Public Finance Management (National Government) Regulations, 2015.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 December, 2025

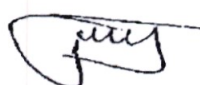
*National Government Constituencies Development Fund (NGCDF)
Bomachoge Borabu Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	16,000
Total revenue		170,485,857
Expenses		
Employee costs	10	6,280,817
Committee expenses	11	3,268,391
Use of Goods and Services	12	6,828,426
Other Government Units Actual expenditure	13	103,391,659
Other Grants and Transfers Actual expenditure	14	81,983,805
Depreciation and amortization expense	15	147,958
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		201,901,056
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(31,415,199)

The Constituency financial statements were approved by the NGCDFC on 30th June 2025 and signed


by:



Chairman NG-CDF
Committee
Name: James Oganda



National Sub-County
Accountant
Name: Samuel Nyabuto
Motari
ICPAK M/No:



Fund Account Manager
Name: Michael Odit
Onyango

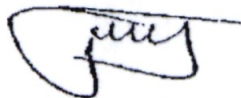
National Government Constituencies Development Fund (NGCDF)
Bomachoge Borabu Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	56,367,534	71,936,475
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,469,857	57,976,103
Prepayments	22	37,956	-
Total Current Assets		98,875,347	129,912,578
Non-Current Assets			
Property, Plant and Equipment	23	665,708	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		665,708	-
Total Assets (A)		99,541,055	129,912,578
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity Provision	29	1,984,259	940,583
Total Current Liabilities		1,984,259	940,583
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,984,259	940,583
Net Assets (A-B)		97,556,796	128,971,995
Represented by:			
Revaluation Reserves		-	-
Accumulated Surplus		97,556,795	128,971,994
Total Net Assets		97,556,795	128,971,994

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

The Constituency financial statements set out on pages 1 to 25 approved by NG CDFC on 30 June 2025 and signed by:



Chairman NG-CDF
Committee
Name: James Oganda



National Sub-County
Accountant
Name: Samuel Motari
ICPAK M/No:



Fund Account Manager
Name: Michael Odit Onyango

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

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

Description	Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024	23,937,382	-	23,937,382
Adjustments			
Recognition of Assets	105,975,195		105,975,195
Recognition of Liabilities	940,583		940,583
As at July 1, 2024	128,971,994		128,971,994
Surplus/(Deficit) For the Period	(31,415,199)		(31,415,199)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	97,556,795	-	97,556,795

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

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

	Notes	<i>Insert Current FY</i>
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		185,976,103
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		16,000
Total Receipts		185,992,103
Payments		
Employee costs		5,237,141
Committee expenses		3,268,391
Use of Goods and Services		6,866,382
Other Government Units Certified Works		103,391,659
Other Grants and Transfers		81,983,805
Digital Hubs Expenses		-
Total Payments		200,747,378
Net Cash Flows from/ (used in) Operating Activities	30	(14,755,275)
Cash flows From Investing Activities		
Purchase of PPE		813,666
Purchase of Intangible assets		-
Proceeds From Sale of PPE		
Net Cash Flows from Investing Activities		813,666
Net increase/(decrease) in cash & Cash equivalents		(15,568,941)
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		(15,568,941)
Cash and cash equivalents at 1 July	19	71,936,475
Cash and cash equivalents at 30 June 2025	19	56,367,534

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Revenue							
Transfers From the NGCDF Board	170,469,857	71,936,475	57,976,103	300,382,435	257,912,578	42,469,857	86%
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	16,000	-	16,000	16,000	-	100%
Totals	170,469,857	71,952,475	57,976,103	300,398,435	257,928,578	42,469,857	86%
Expenses							
Employee costs	6,411,676	3,929,384	-	10,341,060	5,221,141	5,119,919	50%
Committee expenses	2,916,000	804,687	-	3,720,687	3,268,391	452,296	88%
Use of Goods and Services	6,014,611	3,753,268	-	9,767,879	6,380,382	3,387,497	65%
Other Government Units	66,849,376	62,684,748	46,074,588	175,608,712	103,391,659	72,217,053	59%

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Certified Works							
Other Grants and Transfers	84,478,194	303,481	8,739,831	93,521,506	81,983,805	11,537,701	88%
Digital Hubs Expenses	3,500,000	-	-	3,500,000	-	3,500,000	0%
Acquisition of Assets	300,000	400,000	2,098,000	2,798,000	813,666	1,984,334	29%
Others		60,907	1,055,684	1,116,591	502,000	614,591	45%
Funds Pending Approval**	-	16,000	8,000	24,000	-	24,000	0%
Total Expenditure	170,469,857	71,952,475	57,976,103	300,398,435	201,561,044	98,837,391	67%
Surplus for the period					56,367,534	(56,367,534)	

***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.

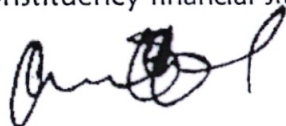
- i. NG CDF Transfer funds is at 86 % due to late disbursement of funds from the board.
- ii. Employees' costs utilization is at 50% since other funds are withheld as gratuity.
- iii. Committee expenses is at 88% due to late of disbursement of funds from the board.
- iv. Fund utilization under use of goods and services is at 65% due to late disbursement of funds from the board.
- v. Fund utilization under transfers to other government units is at 59% was as a result of delay in formation of Project Management Committees (PMCs)
- vi. Fund utilization under other grants and transfers was at 88% due to late disbursement of funds from the board.
- vii. Zero percent utilization of funds on Digital herbs was due to lack of land for construction.

*National Government Constituencies Development Fund (NGCDF)
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- viii. Acquisition of assets funds utilization was at 29% due to late procurement process which was as a result of delay in disbursement of funds from the board.
- ix. Other project funds were utilized at 45% due to late disbursement of funds from the board

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	98,837,391
Less undisbursed funds receivable from the Board as at 30 th June 2025	42,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	56,367,534

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 _June 2025 and signed by:



Fund Account Manager

Name: Michael Odit Onyango



National Sub-County Accountant

Name: Samuel Nyabuto Motari
ICPAK M/No:



Chairman NG-CDF Committee

Name: James Oganda Otwere

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,411,676.00	3,929,384		10,341,060	5,221,141	5,119,919
1.2 Committee allowances	1,368,000.00	-		1,368,000	1,368,000	-
1.3 Use of goods and services	2,448,515.40	1,411,854		3,860,369	2,403,764	1,456,605
Sub-total	10,228,191	5,341,238	-	15,569,429	8,992,905	6,576,524
2.0 Monitoring and evaluation						
2.1 Capacity building	730,000.00	604,432	-	1,334,432	1,186,800	147,632
2.2 Committee allowances	1,548,000.00	804,687	-	2,352,687	1,900,391	452,296
2.3 Use of goods and services	2,836,095.70	1,736,982		4,573,078	2,789,818	1,783,260
Sub-total	5,114,096	3,146,101	-	8,260,197	5,877,009	2,383,188
3.0 Emergency	8,972,097.72			8,972,098		8,972,098
3.1 Primary Schools						-
Igorera Primary School				-	450,000	(450,000)
Igorera Primary School				-	400,000	(400,000)
Igorera Primary School				-	350,000	(350,000)
Vat				-	4,640	(4,640)
Nadanya Invst				-	264,460	(264,460)
Comm Of Vat				-	8,621	(8,621)

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nadanya Investment				-	491,379	(491,379)
Comm Of Vat				-	8,621	(8,621)
Nadanya Investments Ltd				-	491,138	(491,138)
Vat				-	8,294	(8,294)
Itax				-	29,430	(29,430)
Nadanya Investment				-	443,276	(443,276)
Vat				-	6,172	(6,172)
Nadanya Investment				-	351,738	(351,738)
3.2 Secondary Schools						-
3.3 Tertiary Institutions						-
3.4 Security Projects						-
Evatika Construction Co. (DCIO Office)				-	100,000	(100,000)
Unutilized Funds			1,243,676.20	1,243,676.20		1,243,676
Sub-total	8,972,098	-	1,243,676	10,215,774	3,407,769	6,808,005
4.0 Bursary and Social Security						
4.1 Primary Schools				-		-
4.2 Secondary Schools	36,819,899.64		867,924	37,687,824	35,314,844	2,372,980
4.3 Tertiary Institutions	28,926,196.28		3,656,431	32,582,627	31,735,000	847,627
4.4 Special needs				-		-
4.5 Education Support Programmes				-		-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.6 Social Security				-		-
Sub-total	65,746,096	-	4,524,355	70,270,451	67,049,844	3,220,607
5.0 Climate Change Mitigation						
Nyangeti DEB primary school	140,000			140,000	140,000	-
Kemoreko primary school	140,000			140,000	140,000	-
Ndereti Orphanage Primary School	140,000			140,000	140,000	-
Gesabakwa primary school	140,000			140,000	140,000	-
Sengera primary school	140,000			140,000	140,000	-
Keberesi primary school	140,000			140,000	140,000	-
Magenge primary school	140,000			140,000	140,000	-
Itongo primary school	140,000			140,000	140,000	-
Kiru primary school	140,000			140,000	140,000	-
Mosobeti primary school	140,000			140,000	140,000	-
Maiga FP Primary school	140,000			140,000	140,000	-
Nyabongo primary school	140,000			140,000	140,000	-
Nyamesocho primary school	140,000			140,000	140,000	-
Nyamesocho Secondary School	140,000			140,000	140,000	-
Nyamisaro primary school	140,000			140,000	140,000	-
Omosobwa primary school	140,000			140,000	140,000	-
Ichuni primary school	140,000			140,000	140,000	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Nyambunwa primary school	140,000			140,000	140,000	-
Ritembu primary school	140,000			140,000	140,000	-
Emesa primary school	140,000			140,000	140,000	-
Magena primary school	140,000			140,000	140,000	-
Igorera primary school	140,000			140,000	140,000	-
Riombasa primary school	140,000			140,000	140,000	-
Getumo Primary School	140,000			140,000	140,000	-
Iyenga primary school	140,000			140,000	140,000	-
Mokubo primary school	140,000			140,000	140,000	-
Mosobeti primary school	140,000			140,000	140,000	-
Moteiribe primary school	140,000			140,000	140,000	-
Mobirona primary school	140,000			140,000	140,000	-
Nyamecheo Boarding Primary School	140,000			140,000	140,000	-
Mokomoni primary school	140,000			140,000	140,000	-
Rianyangita primary school	140,000			140,000	140,000	-
Bendera primary school	140,000			140,000	140,000	-
Eberege primary school	140,000			140,000	140,000	-
Nyabiore primary school	140,000			140,000	140,000	-
Kiabugesi primary school	140,000			140,000	140,000	-
Riamangata primary school	140,000			140,000	140,000	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Itembu primary school	140,000			140,000	140,000	-
Botaranda primary school	140,000			140,000	140,000	-
Magenche DOK Primary school	140,000			140,000	140,000	-
Nyakorere primary school	140,000			140,000	140,000	-
Riama primary school	140,000			140,000	140,000	-
Geeta Primary School	140,000			140,000	140,000	-
Ekerubo primary school	140,000			140,000	140,000	-
Keore primary school	140,000			140,000	140,000	-
St Francis Metembe primary school :	140,000			140,000	140,000	-
Kenयो primary school	140,000			140,000	140,000	-
Randani primary school	140,000			140,000	140,000	-
Etono primary school	140,000			140,000	140,000	-
Tonger primary school	140,000			140,000	140,000	-
Kebabe primary school	140,000			140,000	140,000	-
Omobera primary school	140,000			140,000	140,000	-
Getenga primary school	140,000			140,000	140,000	-
Riyabu primary school	140,000			140,000	140,000	-
Kenyena primary school	140,000			140,000	140,000	-
Kerongorori primary school	140,000			140,000	139,192	808
Motemomwamu primary school	140,000			140,000	140,000	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Senta primary school	140,000			140,000	140,000	-
Sengera primary school	140,000			140,000	140,000	-
Gesabakwa Primary School		99,000		99,000	99,000	-
Randani Primary School		99,000		99,000	99,000	-
Magenge Primary School		99,000		99,000	99,000	-
Magena Special School		-	99,000	99,000	99,000	-
Lyenga Primary school		-	99,000	99,000	99,000	-
Riombasa Primary Shool		-	99,000	99,000	99,000	-
Ndereti Primary School		-	99,000	99,000	99,000	-
Botaranda Primary School		-	99,000	99,000	99,000	-
Eberege Primary School		-	99,000	99,000	99,000	-
Riamangata Primary School		-	99,000	99,000	99,000	-
Magenche DOK Primary School		-	99,000	99,000	99,000	-
Bendera Primary School		-	99,000	99,000	99,000	-
Mobirona Primary School		-	99,000	99,000	99,000	-
Tonger Primary School		-	99,000	99,000	99,000	-
Keore Primary School		-	99,000	99,000	99,000	-
Maiga Primary School		-	99,000	99,000	99,000	-
Ekerubo CCF Primary School		-	99,000	99,000	99,000	-
Geeta Primary School		-	99,000	99,000	99,000	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Keberesi Primary School		-	99,000	99,000	99,000	-
Kenyanya Primary School		-	99,000	99,000	99,000	-
Kerongorori Primary School		-	99,000	99,000	99,000	-
Metembe DOK Primary School		-	99,000	99,000	99,000	-
Nyambunwa Primary School		-	99,000	99,000	99,000	-
Omosobwa Primary School		-	99,000	99,000	99,000	-
Nyakorere Primary School		-	99,000	99,000	99,000	-
Omobera Primary School		-	99,000	99,000	99,000	-
Senta Primary School		-	99,000	99,000	99,000	-
Rianyangita Primary School		-	99,000	99,000	99,000	-
Ichuni DOK Primary School		-	99,000	99,000	99,000	-
Nyamesocho Primary school		-	99,000	99,000	99,000	-
Nyamisaro primary school		-	99,000	99,000	99,000	-
Magena DEB Primary school		-	99,000	99,000	99,000	-
Igorera Primary School		-	99,000	99,000	99,000	-
Getenga Primary School		-	1,800	1,800		1,800
Sub-total	8,260,000	297,000	2,971,800	11,528,800	11,526,192	2,608
6.0 Primary Schools Projects (List all the projects)						
Kiru Primary School	6,900,000			6,900,000	2,065,739	4,834,261
Kenyoro Primary School	7,200,000			7,200,000	3,152,202.55	4,047,797

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Kenyenya primary school	3,100,000			3,100,000		3,100,000
Mokubo primary school	2,000,000			2,000,000	916,158	1,083,842
Eberege primary school	2,000,000			2,000,000		2,000,000
Nyamisaro primary school	10,000,000			10,000,000		10,000,000
Omosobwa primary school	3,000,000			3,000,000		3,000,000
Botaranda primary school	2,700,000			2,700,000		2,700,000
Oroche primary school	10,000,000			10,000,000	257,337.50	9,742,663
Rianyangita primary school	1,500,000			1,500,000		1,500,000
Nyakorere Primary School	1,500,000			1,500,000		1,500,000
Kiru Primary School			4,000,000	4,000,000	4,000,000	-
Kenyoro Primary School			7,000,000	7,000,000	7,000,000	-
Mokubo Primary School			7,500,000	7,500,000	7,500,000	-
Nyakorere Primary School		2,088,319	1,911,681	4,000,000	672,377	3,327,623
Keore Primary School			1,000,000	1,000,000		1,000,000
Nyamisaro primary school			2,200,000	2,200,000		2,200,000
Oroche Primary School			10,000,000	10,000,000	10,000,000	-
Senta Primary School		1,000,000		1,000,000	910,836	89,164
Randani Primary School		4,382,383		4,382,383		4,382,383
Rianyangita Primary School		1,500,000		1,500,000	1,454,335.50	45,665
Riyabu Primary School		2,382,383		2,382,383	1,613,180.50	769,203

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Bomachoge Borabu Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nyabongo Primary school			1,500,000	1,500,000	1,491,285	8,715
Eberege Primary School			4,000,000	4,000,000	3,999,680	320
Mokomoni Primary School			2,000,000	2,000,000		2,000,000
Endereti Primary School		800,000		800,000	703,408	96,592
Gesabakwa Primary School		900,000		900,000	796,008	103,992
Ndereti Primary School		900,000		900,000	751,576	148,424
Motemomwamu Pry School			200,000	200,000	200,000	-
Randani Pry School			200,000	200,000	200,000	-
Magenche Pry School			200,000	200,000	200,000	-
Nyangeti Pry School			200,000	200,000	200,000	-
Rianyangita Pry School			200,000	200,000	198,200	1,800
Kiru Primary School		2,477,337.00		2,477,337	2,477,337	-
Kenyoro Primary School		2,850,000.00		2,850,000	2,850,000	-
Mokubo Primary School		3,374,999.00		3,374,999	3,374,999	-
Igorera Primary School		3,945,491.50		3,945,492	3,940,113.50	5,378
Nyamesocho Primary school		1,879,856.75		1,879,857	1,278	1,878,579
Gesabakwa Primary School		3,600,000.00		3,600,000	3,600,000	-
Magenche DOK Primary School		2,949,016.00		2,949,016	2,890,563	58,453
Kenyanya Primary School		3,909,603.00		3,909,603	3,837,517	72,086
Nyangeti Primary School		2,623,931.05		2,623,931	2,610,745	13,186

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Endereti Primary School		2,044,476.80		2,044,477	2,044,477	(0)
Ndereti Primary School		2,737,931.00		2,737,931	2,737,931	-
Nyakorere Primary School		5,333,470.00		5,333,470	5,333,470	-
Mokomoni Primary School		2,003,705.00		2,003,705	500,000	1,503,705
Ekerubo Primary school		1,140.00		1,140		1,140
Ichuni Primary School		17,631.50		17,632		17,632
Eberege Primary School		74,284.50		74,285	74,285	-
Riyabu Primary School		7,020.00		7,020	7,020	-
Sub-total	49,900,000	53,782,978	42,111,681	145,794,659	84,562,058	61,232,601
7.0 Secondary Schools Projects (List all the Projects)						
Riyabu Secondary School	11,949,376			11,949,376	7,268,606	4,680,770
Iyenga Secondary School	1,500,000.00			1,500,000		1,500,000
Ritembu Secondary School	3,500,000.00	1,770		3,501,770	3,160,995	340,775
Riyabu Secondary School		-	500,000	500,000	500,000	-
Maiga Mixed Secondary School		1,000,000	-	1,000,000		1,000,000
St Mary's Nyabioire Secondary			1,500,000	1,500,000		1,500,000
Riyabu Secondary School			688,320	688,320		688,320
Riyabu Secondary School			1,274,587	1,274,587		1,274,587
Riyabu Secondary School		7,900,000		7,900,000	7,900,000	-
Sub-total	16,949,376	8,901,770	3,962,907	29,814,053	18,829,601	10,984,452

*National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
8.0 Tertiary institutions Projects (List all the Projects)						
				-		
Sub-total	-	-	-	-	-	
9.0 Security Projects						
Ichuni Chiefs Office	1,500,000			1,500,000		1,500,000
Boochi Borabu Chief's Office		6,481		6,481		6,481
Sub-total	1,500,000	6,481	-	1,506,481	-	1,506,481
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)		400,000		400,000	370,000	30,000
10.2 Construction of CDF Office						-
10.3 Purchase of Furniture and Equipment- Office recliner electric wheel chair	300,000			300,000	-	300,000
10.4 Purchase of Computers						-
10.5 Purchase of Land						-
Purchase of furniture & Equipment			2,098,000	2,098,000	443,666	1,654,334
Sub-total	300,000	400,000	2,098,000	2,798,000	813,666	1,984,334
11.0 Digital Hubs						
Kenya Deputy County Commissioners Office Digital Hub Bokimonge ward	3,500,000			3,500,000		3,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	3,500,000	-	-	3,500,000	-	3,500,000
12.0 Others						
Strategic Plan		60,907	503,044	563,951		563,951
Strategic Plan			502,000	502,000	502,000	-
Sports			50,640	50,640		50,640
Sub-total	-	60,907	1,055,684	1,116,591	502,000	614,591
13.0 Funds pending approval**						
13.1 Unapproved projects		-	8,000	8,000		8,000
13.2 AIA		16,000	-	16,000		16,000
13.3 PMC Savings						-
Sub-total	-	16,000	8,000	24,000	-	24,000
Total	170,469,857	71,952,475	57,976,103	300,398,435	201,561,044	98,837,391

(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 Bomachoge Borabu Constituency principal activity is enhancing education.

2. Statement of Compliance and Basis of Preparation

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 Bomachoge Borabu 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 Bomachoge Borabu 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.

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 in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Bomachoge Borabu has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

National Government Constituencies Development Fund (NGCDF)
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The NG-CDF Bomachoge Borabu 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.

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

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

3. Adoption of New and Revised Standards

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

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

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

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

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

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

iii. Early adoption of standards

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

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 17th June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

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

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

e) Intangible assets

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

Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or 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 xx*

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

(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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6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	-
Income from sale of tenders	16,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	16,000

10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,867,915
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,043,676
Employer Contributions Compulsory national social security schemes	287,016
Employer Contributions Compulsory Housing levy	71,760
Employer contributions to National Industrial Training Authority	10,450
Other Specify	-
Total	6,280,817

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	2,854,791
Other Committee expenses	413,600
Total	3,268,391

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12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	100,232
Communication, supplies and services	492,874
Domestic travel and subsistence	1,485,505
Printing, advertising and information supplies & services	114,000
Office Rent	-
Training expenses	637,800
Hospitality supplies and services	858,995
Insurance costs	339,311
Specialized materials and services	15,900
Office and general supplies and services	258,950
Fuel, oil & lubricants	924,024
Bank charges	4,864
Routine maintenance – vehicles and other transport equipment	346,597
Routine maintenance – other assets	-
Strategic plan expenses	502,000
Other operating expenses	747,374
Total	6,828,426

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	84,562,058
Secondary Schools Actual expenditure	18,829,601
Tertiary Institutions Actual expenditure	-
Total	103,391,659

14. Other Grants and transfers Actual expenditure

	<i>2024/2025</i>
	Kshs
Bursary – secondary schools	35,311,844
Bursary – tertiary institutions	31,735,000
Bursary – special schools	3,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	11,526,192
Emergency projects Actual expenditure	3,407,769
Roads projects Actual expenditure	-
Others specify	-
Total	81,983,805

15. Depreciation and Amortization Expenses

Description	<i>2024/2025</i>
	Kshs
Property Plant and Equipment	147,958
Intangible Assets	-
Total	147,958

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

Description	2024/2025
	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	2024/2025
	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.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)	40,272,935	23,937,383
Equity Bank-Kisii (Operations account)		
Operations account pending closure (Indicate name & account no.)		
Equity Bank- Kisii (Deposit account)	1,304,624	260,948
Equity and KCB-Kilgoris (PMC accounts)	14,789,975	47,738,144
Total	56,367,534	71,936,475
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

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

20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	42,469,857		57,976,103	
Outstanding imprest	-		-	
Total	42,469,857		57,976,103	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year				
Between 1-2 years	42,469,857	100%	57,976,103	100%
Over 3 years				
Total	42,469,857	100%	57,976,103	100%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	37,956		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	37,956		-	

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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	-	-	370,000	443,666	-	-	-	813,666
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2024	-	-	370,000	443,666	-	-	-	813,666
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	92,500	55,458	-	-	-	147,958
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2024	-	-	92,500	55,458	-	-	-	147,958
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2024	-	-	277,500	388,208	-	-	-	665,708

Valuation

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

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	370,000	92,500	277,500
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	443,666	55,458	388,208
Total	813,666	147,958	665,708

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	-	-

24. Intangible Assets

Description	2024/2025
	Kshs
Cost	
Opening balance at 1 st July 2024	-
Additions	-
Disposal	-
At end of the 202	-
Amortization and impairment	
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1 st 2024	-
NBV at June 30 th 2025	

25. Right-of use assets

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

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26. Trade and Other Payables

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

27. Third-Party deposits

	<i>2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	KShs	
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	-	-

Retentions aging analysis.

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

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	
Gratuity at the beginning of the year 1 st of July	940,583	-
Gratuity held during the year	1,043,676	940,583
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	1,984,259	940,583

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	(31,415,199)
Adjusted for:	
Depreciation	147,958
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	(15,506,246)
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	(1,043,676)
Changes in prepayments	37,956
Net cash flow from operating activities	(14,755,275)

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 minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	42,469,857	42,469,857	-	-
Bank balances	56,367,534	56,367,534	-	-
Total	98,837,394	98,837,394	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	57,976,103	57,976,103	-	-
Bank balances	71,936,475	71,936,475	-	-
Total	129,912,578	129,912,578	-	-

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025 (Current FY)				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Retention Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,984,259	1,984,259
Total	-	-	1,984,259	1,984,259
As at 30th June 2024 (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Gratuity Provisions	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Retention Provision	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	940,583	940,583
Total	-	-	940,583	940,583

iii) Market risk

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

a) Foreign currency risk

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

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Current FY

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

Foreign currency sensitivity analysis

Current FY

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

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY	N/A		
Euro	10%	-	-
USD	10%	-	-
Previous FY			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

one percentage point as a decrease/increase of Kshs nil (Current FY: Kshs nil). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs nil (Current FY – Kshs nil)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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

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

iv) Capital Risk Management

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

Description	2024/2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	97,556,795	128,971,994
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	56,367,534	71,936,475
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	%	%

32. Related Party Disclosures

	<i>2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,854,791	1,248,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	185,976,103	211,717,033
Total	188,830,894	212,965,033

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024/2025	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

The Bomachoge Borabu 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	2,200,000	-	-	2,200,000
Buildings and structures	6,900,000	-	-	6,900,000
Transport equipment	7,570,000	370,000	-	7,940,000
Office equipment, furniture, and fittings	2,662,901	-	-	2,662,901
ICT Equipment and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	19,332,901	370,000	-	19,702,901

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Eberege Primary School	Equity Bank Kisii	0510262729767	320	74,285
Ekerubo Primary school	Kcb Bank Kilgoris	1285685914	1,140	1,140
Endereti Primary School	Equity Bank Kisii	0510285383822	96,592	2,044,477
Gesabakwa Primary School	Equity Bank Kisii	0510285370036	103,992	3,600,000
Ichuni Primary School	Kcb Bank Kilgoris	1285685905	17,632	17,632
Igorera Primary School	Equity Bank Kisii	05102809997937	5,379	3,945,492
Kenyanya Primary School	Equity Bank Kisii	0510262376072	72,086	3,909,603
Kenyoro Primary School	Equity Bank Kisii	0510285207019	847,797	2,850,000
Kiru Primary School	Equity Bank Kisii	0510285160543	934,261	2,477,337
Magenche DOK Primary School	Equity Bank Kisii	0510285400344	58,453	2,949,016
Mokomoni Primary School	Equity Bank Kisii	0510270358301	3,503,705	2,003,705
Mokubo Primary School	Equity Bank Kisii	0510282608605	83,842	3,374,999
Motemomwamu Pry School	Equity Bank Kisii	0510285393566	-	-
Ndereti Primary School	Equity Bank Kisii	0510262353856	148,424	2,737,931
Nyabongo Primary School	Equity Bank Kisii	0510284399227	8,715	-
Nyakorere Primary School	Kcb Bank- Kilgoris	1285685954	3,327,623	5,333,470
Nyamesocho Primary school	Equity Bank Kisii	0510285393574	1,878,579	1,879,857

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Nyangeti Primary School	Equity Bank Kisii	0510262821167	13,186	2,623,931
Nyangeti Pry School	Equity Bank Kisii	0510264427291	-	-
Oroche Primary School	Equity Bank Kisii	0510270358301	742,663	-
Randani Pry School	Equity Bank Kisii	0510282608605	-	-
Rianyangita Primary School	Equity Bank Kisii	0510285393566	45,665	-
Rianyangita Pry School	Equity Bank Kisii	0510262353856	-	-
Riyabu Primary School	Equity Bank Kisii	0510262822918	769,203	7,020
Senta Primary School	Equity Bank Kisii	0510262720627	89,164	-
Riyabu Secondary School	Equity Bank Kisii	0510285206533	1,694,301	7,900,000
Ritembu Secondary School	Equity Bank Kisii	0510262730093	340,775	1,770
Boochi Borabu Chief's Office	Kcb Bank Kilgoris	1285685909	6,481	6,481
Total			14,789,975	47,738,144

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Outstanding Reconciling Items- Unpresented Cheques</p> <p>The statement of assets and liabilities reflects cash and cash equivalent of Kshs. 23,937,383 as disclosed in Note 11 to the financial statements. However, review of the bank reconciliation statement for the month of June 2024 revealed unpresented cheques amounting to Kshs. 2,832,249.99 has not been presented as at the time of audit. Evidence of the</p>	<p>Management has availed Bank Reconciliation statement for the month of June 2024 and schedule of unpresented cheques amounting to kshs 2,832,248.99 for audit review.</p>	<p>Not Resolved</p>	<p>30th December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>subsequent clearance on these cheques was not provided.</p> <p>In circumstances, it was not possible to determine when these un-presented cheques were cleared by the bank.</p>			
	<p>Unsupported Project Management Committee (PMC) Bank Accounts</p> <p>Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs.39,990,945 in respect to eighteen (18) bank accounts which had not been utilized at the end of the financial year under review. However, cashbooks, certificates of bank balance, bank</p>	<p>Management has provided certificate of bank balances and PMC bank statements for audit review.</p>	<p>Not Resolved</p>	<p>30th December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>reconciliation statements and board of survey reports were not provided for audit review.</p> <p>In circumstances, accuracy and completeness of project management committee bank accounts balance of Kshs.39,990,945 could not be confirmed.</p>			
	<p>Budgetary Control and Performance</p> <p>The combined summary statement of appropriation reflected budgeted receipts totaling to Kshs.269,979,245. However, only Kshs.212,505,142 (79%) was disbursed during the</p>	<p>Underfunding was due to late disbursement of funds from the board.</p> <p>As at the time of closure of the financial year, most projects were ongoing and others planning stage</p>	Not Resolved	30 th December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>year resulting to revenue shortfall of Kshs.57,474,103 (21%). It was further noted that out of the Kshs. 269,979,245 total budgeted expenditure for the year, only Kshs.188,575,759 (70%) was spent during the year while Kshs.81,411,486 (30%)remained unutilized as at 30 June 2024.</p> <p>In circumstances, the underfunding and under expenditure affected the planned activities and may have impacted negatively on goods and services delivery to the residents of Bomachoge Borabu Constituency.</p>			
	Unresolved Prior Year	Prior year audit	Not Resolved	30 th December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Audit Matters</p> <p>In the audit report of 2023/2024 financial year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has issue has been resolved but no evidence provided to show how they were resolve.</p> <p>In the circumstances, Management did not adhere to the provisions of the Public Sector Accounting Standards Board</p>	<p>matters have been responded to and awaiting for recommendation by the auditor</p>	Not Resolved	30 th December 2025
	Late Disbursement from	Under-funding	Not Resolved	30 th December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>NG-CDF Board During the year under review, National Government Constituency Development Fund Board approved the allocation to Bomachoge Borabu Constituency of Kshs.177,979,103. However, as at the 30 June, 2024 only Kshs.130,502,000 was disbursed to the constituency leaving the balance of Kshs.47,477,103 not disbursed. Contrary, to section 16 of National Government Constituency Development Fund Act 2023.</p> <p>In circumstances, service delivery to the residents of</p>	<p>was due to delay in disbursement of funds from the board</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Bomachoge Borabu Constituency may be undermined			
	<p>Excess Recruitment of the Staff</p> <p>The statements receipt and payments reflect compensation of employees of Kshs.5,305,081 as disclosed in note 4 to the financial statement. However, review of records revealed that the constituency committee employed nineteen (19) staff contrary to CDF Circular Ref. CDF Board/Circulars/Vol.1.1/116 dated 24 June, 2013 which states that the committee may employ staff not exceeding five in number and such staffs shall have</p>	<p>Management has since then recruited the required number of employees as per the Act for audit review.</p>	<p>Resolved</p>	<p>30th December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>knowledge in construction, basic accounting and Information, communication and Technology.</p> <p>In the circumstances, Management was in breach of law.</p>			
	<p>Failure to Comply with the Law on Gender Balance</p> <p>Analysis of Bomachoge Borabu NG-CDF staff bio data for the year under review, revealed that male employees were 74% against female of 26%. This shows that the gender mix of the fund did not conform to the requirements of the 2/3 gender rule as the ratio of</p>	<p>Management has since then recruited the required number of employees considering gender equality.</p>	<p>Not Resolved</p>	<p>30th December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>male to female employees. This was contrary to Article 27(8) of the constitution of Kenya 2010. In circumstances, Management was in breach of the law.</p>			
	<p>Stalled Projects The statement of receipts and payment reflects an amount of Kshs.90,211,600 under transfers to other government units as disclosed in Notes 7 to the financial statements which was earmarked for project implementation during the year. However, during the audit, it was established</p>		Not Resolved	30 th December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>that the following projects below had stalled</p> <p>a) Kiiru Primary School</p> <p>The contract for construction of a one (1) storey building of eight (8) classrooms at Kiiru Primary School was awarded to a company on 19 December, 2023 at a contract sum of Kshs.20,346,782.93 for two years up to 19 December, 2025. During the audit inspection carried out on 3 December, 2024 eleven months, 2 weeks after signing of the contract, only the foundation and nine (9) courses of stone had been laid. Further,</p>	<p>The contractor adhered to the show cause letter and since then he resumed the site. The project is at 85% completion state at it is being funded in phases.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>during the review of the project file, it was noted that sub county works officer wrote a show cause letter to the awarded company for breach of contract on 24 September, 2024 indicating continued absence of machines, human Labour, and equipment from the site, impeding the progress of the works, bringing it to a stop.</p>			
	<p>b) Kenyoro Primary School The contract for construction of eight (8) classrooms Center of Excellence at Kenyoro Primary School was awarded to a company</p>	<p>The contractor adhered to the show cause letter and since then he resumed the site. The project is at 84% completion state at it is being funded in phases.</p>		

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	<p>on 19 December, 2023 at a contract sum of Kshs.20,583,337.30 for two years up to 19 December, 2025. During the audit inspection carried out on 3 December, 2024 eleven months, two weeks after signing of the contract, only the foundation and four (4) courses of stone had been laid. During the examination of the project file, it was noted that sub county works officer wrote a show cause letter to the awarded company for breach of contract on 24 September, 2024 indicating continued absence of machines, human Labour, and</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>equipment from the site, impeding the progress of the works, bringing it to a stop.</p> <p>c) Riyabu Primary School The contract for construction of eight (8) No. classrooms at Riyabu E.L.C.K Secondary School was awarded to a company on 13 December, 2023 at a contract sum of Kshs.20,349,376.66 for 104 weeks up to 13 December,2025. During the audit inspection carried out on 3 December, 2024 eleven (110 months, 2 weeks after signing of the contract) the project was</p>	<p>The contractor adhered to the show cause letter and since then he resumed the site. The project is at 85% completion state at it is being funded in phases.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>still at foundation excavation stage.</p> <p>d) Ndereti Orphanage Primary School The contract for construction of three (3) classroom block to completion at Ndereti Primary School was awarded to a company on 23 April, 2024 at a contract sum of Kshs.4,477,266. The contract period was set for twelve (12) weeks till 27 July, 2024 and the contractor was to hand over the project by 1 August, 2024 as per the form of contract signed on 23 April, 2024. During the year a total of Kshs.3,600,000 had</p>	<p>The construction was done to completion as per the bill of quantities and handed over.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>been disbursed to the school's PMC account. However, audit inspection carried out on 3 December, 2024, 4 months 1 week after lapse of contract period, revealed that the three (3) classrooms were done up to roofing but not completed. Further, plastering of external walling, painting works, fitting of window panes, ceiling finishes, floor finishes, electrical works and rain water goods activities had not been done as per bill of quantity. In addition, the contractor was not on site.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>e) Mokubo Primary School</p> <p>The contract for construction of eight (8) classroom block to completion at Mokubo Primary School was awarded to a company on 15 December, 2023 at a contract sum of Kshs.20,693,121.75. The contract period was set for one hundred and twenty (120) as per the form of contract signed on 19 December, 2023. During the year a total of Kshs.8,200,000 had been disbursed to the school's PMC account. However, audit inspection carried out on 3 December, 2024,</p>	<p>The contractor adhered to the show cause letter and since then he resumed the site. The project is at 89% completion state at it is being funded in phases.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>eleven (11) months 2 week after signing of the contract period, revealed that the superstructure of the ground and the first level were done, but roofing, the external walling, plastered, painting works, fitting of window panes, ceiling finishes, floor finishes, electrical works and rain water goods were not done. Further, the contractor was not on site.</p> <p>In circumstances, value for money could not be ascertained.</p>			
	<p>Unimplemented Projects Review of the approved</p>	<p>The projects were not implemented in time due to late disbursement of</p>	<p>Not Resolved</p>	<p>30th December 2025</p>

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	<p>projects list of the Fund, for the year under review revealed that ten (10) projects with an approved budgetary allocation of Kshs.26,664,766 had not been implemented as at 30 June, 2024. No explanation was provided for the non-implementation of the projects.</p>	<p>funds. Management has provided progress report for phased funding projects and photos; completion certificates and photos for complete projects for audit review.</p>		
	<p>Incomplete Summary of Fixed Asset Register The summary of fixed asset register under annexure 4 to the financial statements reflects historical figure of Kshs.19,332,901 as at 30 June, 2024. However, the fixed asset register provided for the audit reflects total of</p>	<p>Management has provided the updated asset register for audit review.</p>	<p>Not Resolved</p>	<p>30th December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.8,581,001 leading to unexplained variance of Kshs.10,751,900. This is an indication that fixed asset register not updated to show accurate and complete value as reported.</p> <p>In circumstances, effectiveness of internal controls, risk management and governance could not be</p>			



.....
 Name Michael Odit Onyango
 Fund Account Manager.