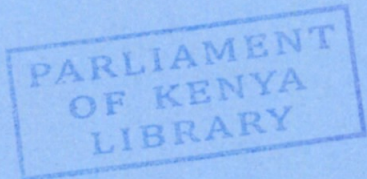


REPUBLIC OF KENYA



REPORT


OF

THE AUDITOR-GENERAL

ON

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

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	18 FEB 2025
	DAY: WED
TABLED BY:	MASHI 27 PART WMP HARISWANUS OJORO
CLERK-AT THE-TABLE:	DB IER



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MOSOP CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

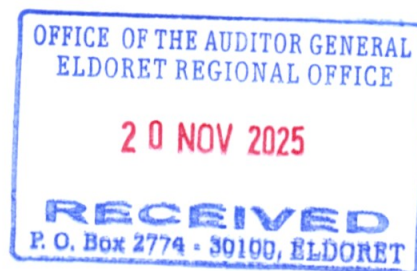


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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Mosop 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	Harun K. Chebii
2.	National Sub-County Accountant	Regina Ngetich
3.	Chairman NGCDFC	Charles Kipkoech Rutto
4.	Member NGCDFC	Nahum J. Mosbei
5.	Member NG CDFC	Isaack Kurgat

(c) Fiduciary Oversight Arrangements

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

NG-CDF Building
Off Mosoriot- Kaiboi Road
Kabiyet, KENYA

(e) NGCDF Mosop Constituency Contacts

P.O. Box 121-30303
Telephone: (254) 770331000
E-mail: cdfmosop@ngcdf.go.ke
Website: www.mosop.ngcdf.go.ke

(f) NGCDF Mosop Constituency Bankers

1. Operations Account

- a) Cooperative Bank of Kenya Ltd
Eldoret Branch
P.o Box 48231
Nairobi
- b) Family Bank (account no. 097000041373)
Kapsabet Branch
P.o Box 74145
Nairobi

2. Deposit account (account no. 097000041403).

Family Bank
Kapsabet Branch
P.o Box 74145
Nairobi

3. PMC Accounts

- a) Cooperative Bank of Kenya Ltd
Eldoret and Kapsabet Branches
P.o Box 48231
Nairobi
- b) Sidian Bank
Eldoret Branch
- c) Equity Bank
Eldoret Branch
- d) Family Bank
Kapsabet and Eldoret Branches
P.o Box 74145
Nairobi
- e) National Bank
Eldoret and Kapsabet Branches
- f) KCB Bank
Eldoret and Kapsabet Branches

(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>Chairman-Charles Kipkoech Rutto</p>	<p>Date of Birth:17/12/1964 Academic and professional qualifications: Diploma Work experience: 35 years</p>
 <p>BETHWEL KIPLAGAT PWD representative</p>	<p>Date of Birth:23/08/1997 Academic Qualification: KCSE Work experience: religious leader</p>
 <p>PST NAHUM CHEPCHIRCHIR Secretary</p>	<p>Date of Birth:23/09/1980 Academic Qualification: KCSE Work experience: religious leader</p>
 <p>ISAACK KURGAT Male adult representative</p>	<p>Date of Birth:05/01/1975 Academic Qualification: KCSE Work experience: Farmer</p>
 <p>PHILIP KIPKOGEI Male youth representative</p>	<p>Date of Birth:24/12/1994 Academic Qualification: undergraduate Work experience: Farmer</p>

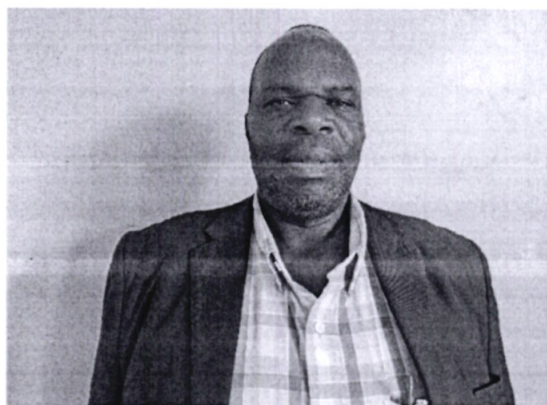
*National Government Constituencies Development Fund (NGCDF)
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 <p>SHARON JEROTICH Female youth representative</p>	<p>Date of Birth:16/02/1996 Academic Qualification: undergraduate Work experience: Farmer</p>
 <p>STELLA JELAGAT Co opted member</p>	<p>Date of Birth:30/12/1977 Academic Qualification: KCSE Work experience: Farmer</p>
 <p>JOAN JEPCHIRCHIR BWAMBOK Female adult representative</p>	<p>Date of Birth:02/04/1987 Academic Qualification: KCSE Work experience: Farmer</p>
 <p>WILLIAM KINGI DEPUTY COUNTY COMMISSIONER</p>	<p>Date of Birth:01.01.1972 Academic Qualification: Degree Work experience: Civil Servant</p>
 <p>HARUN K.CHEBII FUND ACCOUNT MANAGER</p>	<p>Date of Birth:01.01.1974 Academic Qualification: Degree Work experience: Public servant</p>

The following members exited during the financial year:

No.	Name of Member	Period served
1.	Hillary Kirwa	December 2022 to December 2024
2.	Reuben Kipyego	December 2022 to December 2024
3.	Emily J. Bor	December 2022 to December 2024
4.	Florence J. Karan	December 2022 to December 2024
5.	Silas Ngetich	December 2022 to December 2024

4. NG-CDFC Chairman's Report



Charles Kipkoech Rutto
Chairman, Mosop NG-CDF Committee

Introduction

It is with great honor that I present the Mosop Constituency NG-CDF Chairman's Report for the financial year ending 30th June 2025. This report provides a detailed review of our development journey over the past twelve months, highlighting financial performance, project implementation status, and the challenges encountered. Importantly, we offer a comparative analysis against the previous financial year (2023/2024) to help assess the direction and pace of development within our constituency.

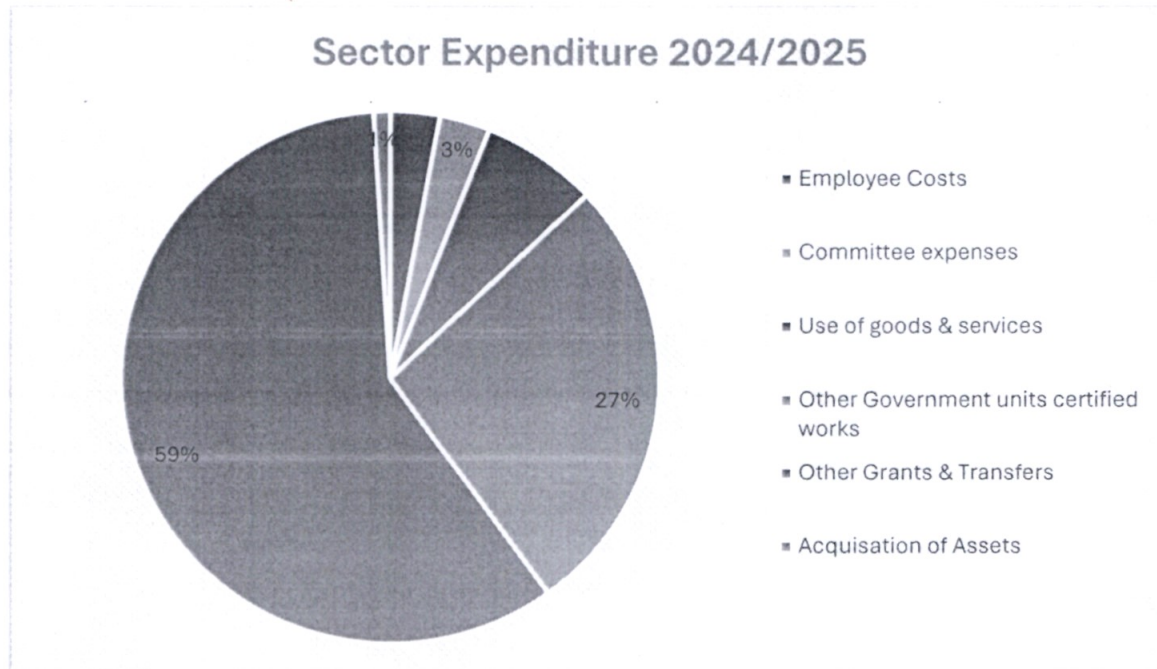
Financial Performance Overview

The 2024/2025 financial year began on a hopeful note characterized by increased fiscal space and a larger resource envelope. Our final budget was **Kshs. 327,739,714** up from **Kshs. 323,874,071** in the 2023/2024 financial year. This growth was primarily driven by a higher allocation by the NG-CDF Board and a balance brought forward of **Kshs. 71, 586,496**. The total disbursements received during the year was **Kshs. 206,175,224** this was slightly lower from **Kshs. 210,832,745** received in the previous year.

Budget absorption stood at **35%** in 2024/2025, down from **62 %** in the previous financial year. This decline was not due to planning gaps, but rather the result of several external and operational factors. Key among these were delays in disbursements from the NG-CDF Board, rising implementation costs and more rigorous projects vetting standards. Moreover, the

committee made a strategic pivot towards long-term, capital-intensive investments that naturally span multiple financial years.

Projects Prioritization and expenditure trends



Infrastructure and Certified works

Infrastructure and certified works continued to form a central pillar of our development agenda. In 2024/2025 financial year, we allocated Kshs. 67,950,000 of our total available funds. However, during the year only Kshs. 29,218,589 had been spent representing 25% of the total expenditure in the financial year. This was occasioned by delay in disbursement of funds from the NG-CDF Board.

Social Support and Human Capital Development

Grants and social transfers, particularly bursaries, emergency responses and climate change interventions remained a key priority. Our expenditure in this sector was Kshs. 68,169,795. Bursary program directly benefitted thousands of students, reinforcing our commitment to equitable access to education.

Lean Administrative Costs

Administrative efficiency remained a guiding principle. Spending on employee costs and committee operations stood at Kshs. 3.616 million and Kshs. 3.84 million respectively. These modest figures demonstrate our commitment to channeling the largest portion of available funds toward community development rather than operational overheads.

Key Challenges

Despite the progress achieved, the financial year under review presented several structural and implementation challenges.

Delayed Disbursements and Budget Absorption

Late disbursement of funds by the NG-CDF Board remained a major bottleneck, contributing to low absorption rates and delayed project rollouts. This was compounded by a misalignment between the NG-CDF disbursement schedule and the academic calendar. While bursary funds are often received in January, some students report to school as early as September, forcing households to find interim solutions and placing undue pressure on family finances.

Inflation and Cost Escalation

Rising inflation and volatile exchange rates significantly affected construction costs, often leading to budget overruns, scope reductions, or retendering. The transition to the Government's electronic procurement platform (e-GPS) also revealed capacity gaps among Committee members, staff, and contractors, slowing down procurement efficiency.

Bursary Pressure and Accountability Gaps

The rollout of the new Higher Education Funding Model (NHEFM) raised out-of-pocket expenses for many households, escalating the demand for bursaries. This increased pressure on an already stretched bursary fund. Additionally, inconsistent collection of signed acknowledgment receipts from institutions hindered financial accountability and audit processes.

Legal and Policy Uncertainty

The recent court ruling declaring the NG-CDF Act unconstitutional and mandating a cessation of operations by 30th June 2026 has created uncertainty for staff, contractors, and

communities. This development has complicated planning for multi-year projects and raised concerns about the sustainability of NG-CDF-supported initiatives.

Mitigating Strategies

Looking ahead, our focus is firmly set on completing ongoing projects to avoid wastage and ensure maximum impact. The Committee intends to adopt the following mitigation strategies:

- **Advocate for timely disbursement** of funds and prioritize shovel-ready projects to reduce startup delays.
- **Align bursary schedules** with academic calendars through proactive budgeting and faster fund deployment.
- **Expand digital capacity** for Committee members and contractors to maximize benefits from the e-GPS system.
- **Phase high-cost projects**, allowing for flexible budgeting in response to inflation and market changes.
- **Intensify community engagement**, especially in response to demands for more equitable ward-level project distribution.

Pictorial Presentation of Some of Our Key Achievements for the Period

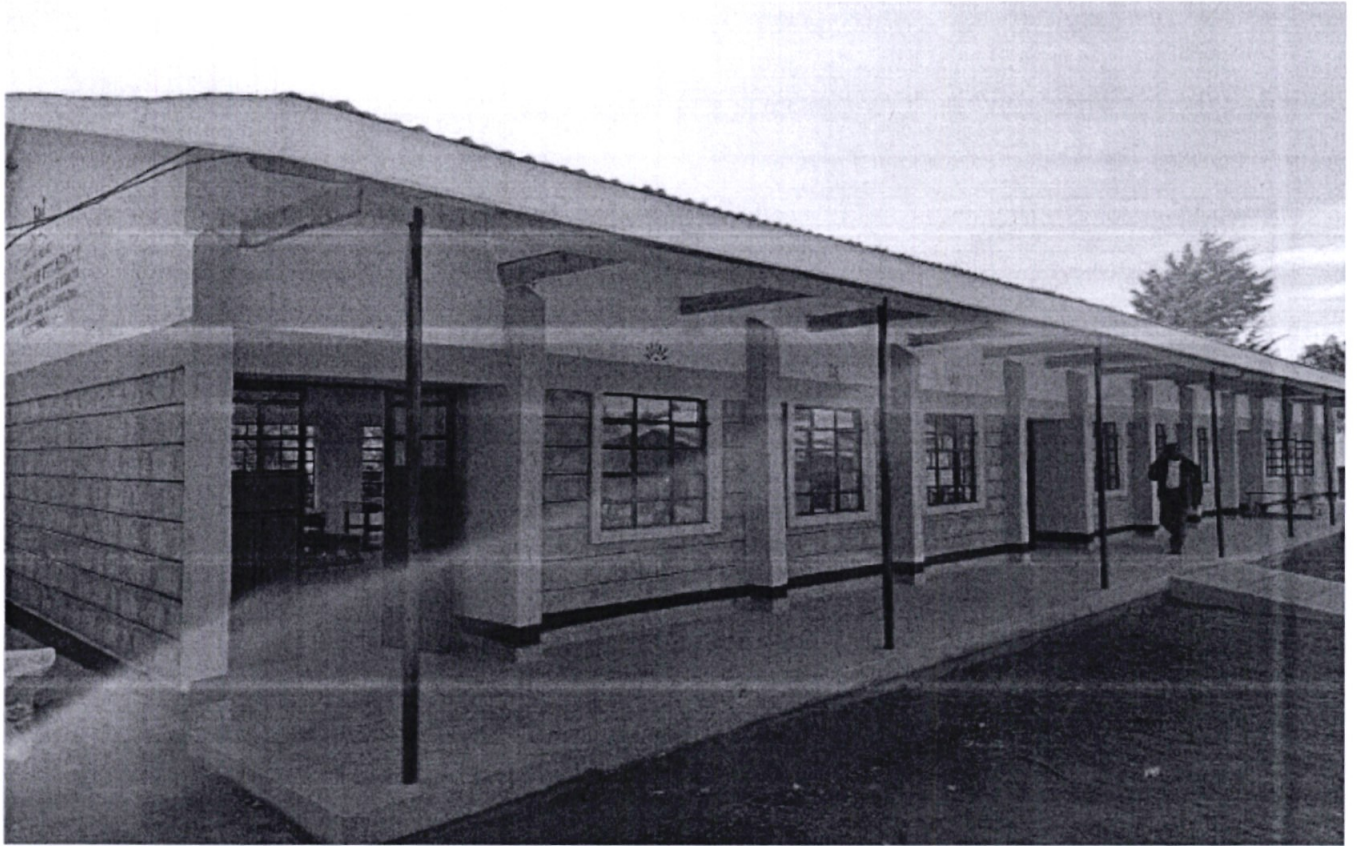


Fig 1: AIC Kaptich Primary School-Construction to completion of 3 no classrooms



Fig 2: Kurgung Boys High School-Construction to completion of a 200-Student Capacity Dormitory



Fig 2: Tegeiyat Primary School-Construction to completion of a 3 No Classrooms

Conclusion

The financial year 2024/2025 was marked by both cautious implementation and strategic shifts. Although expenditure absorption was slower than the previous year, this reflected a deliberate movement toward high-impact, long-term investments rather than inefficiency. Our development agenda is now better aligned with evolving needs, including digital inclusion, education support, and climate resilience.

In closing, I express my deep gratitude to the NG-CDF Committee, the project management teams, government partners, and the people of Mosop. Your trust and collaboration remain the cornerstone of our efforts. As we approach a potentially transitional period in 2025/2026, we remain committed to delivering on our mandate with transparency, innovation, and impact.

.....
Charles Kipkoech Rutto
Chairman, Mosop 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 Mosop Constituency 2023-2027* plan are to:

1. *To improve educational outcomes and enable the environment by improving infrastructure and facilities in schools in Mosop constituency.*
2. *To strengthen environmental conservation and protection through supporting communities in Mosop constituency environmental initiatives*
3. *To create a peaceful, secure and enabling environment through the support of infrastructure and facilities in the Mosop constituency security administration unit.*
4. *To reduce or mitigate the impact of unforeseen emergencies that threatens damage to human life, welfare, or the environment in Mosop constituency.*

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	a) Number of usable physical infrastructure built in primary, secondary, and tertiary institutions.	In FY 2024/25 - we increased number of classrooms by 40, dormitories 2, laboratories by 4 in SDA Kurgung

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			b) Number of bursary's beneficiaries at all levels	Girls, Aron Moiben sda kungurwet sec, Koitalel Samoei sec and Chepterwai girls' Secondary school and dining halls by 3 in Ndalat gaa girls, Sigot Secondary and AIC Kaptich primary - Bursary beneficiaries at all levels were as per the attached schedules
Security	Enhance and sustain security in the constituency	To promote security and peaceful coexistence during the financial year by construction of security infrastructure which provide conducive working environment for security personnel	Number of usable physical infrastructure built in security installations	Constructed 4 chiefs offices
Climate change mitigation activities	Promote sustainable environment management practices	Increased forest cover in the constituency	Number of trees planted.	Koiban secondary school, Surungai primary, Aic Kaigat primary, Nyigoon primary, Chepkoiyo primary, Eisero primary, Lelabei primary, Sangalo primary,

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				Soimining primary, Kapkoimur primary, AIC Cheptuiyet primary, Kabiyet township, Kamanyinya primary, Sarora primary
Emergency	Mitigate against any unforeseen occurrences in the constituency during the financial year by rehabilitating damaged infrastructure	Rehabilitated infrastructure.	Number of rehabilitated infrastructures.	Constructed latrines in 13 schools.

6. Governance Statement

a. NG-CDFC process of appointment

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

1. There is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of;
 - a) the national government official responsible for co-ordination of national government functions.
 - b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
 - c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
 - d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - g) one member co-opted by the Board in accordance with regulations made by the Board
3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

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

The current NGCDFC members were gazetted on 21st May, 2025

The persons appointed are drawn from different groupings as follows:

S/No	Category	Name
1	Male Adult Representative	Charles Kipkoech Rutto
2	Male Adult Representative	Isaac Koech Kurgat
3	Male Youth Representative	Philip Kipkogei
4	Female Adult Representative	Joan Chepchirchir Bwambok
5	Female Adult Representative	Nahum Chepchirchir Mosbei
6	Female Youth Representative	Jerotich Sharon
7	Representative of Persons Living with Disability	Bethwel Kiplagat
8	Co-opted Member	Stellah Jelagat

b. NG-CDFC Tenure

Pursuant to the provisions of the act, the tenure of NGCDFC is two years.

c. The Role of the Constituency Committee

- a) build the capacity of project management committees and sensitize the Community on the operations of the Fund;
- b) consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- c) ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- d) ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- e) in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) falls within the functions of the National Government under the Constitution;
- f) consult with relevant government departments to ensure that cost estimates for projects are realistic;
- g) in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- h) subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;

- i) rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- j) ensure that all projects receive adequate funding and are completed within three years;
- k) where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- l) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- m) monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- n) ensure that project reports are prepared and submitted to the Board;
- o) ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;

d. Removal of a member

The members of a Constituency Committee may be removed in accordance with section 43 (13) and (14) of the Act upon a receipt of a complaint against a member. A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office. The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. If, at a meeting held pursuant to paragraph (4), members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5). The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a Constituency Committee may hear such a member. The member against whom a complaint is made may call witnesses. If the member

against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter.

Notwithstanding paragraph (10), a Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. If the member against whom a complaint is made fails to respond to the complaint as may be directed by a Constituency Committee, the Committee may proceed and decide based on the evidence available.

A Constituency Committee shall issue its decision on the complaint within seven days after the conclusion of the hearing. If a Constituency Committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision. The communication to the Board under paragraph (14) shall include duly executed proceedings, together with all the supporting documents. The Board shall, within thirty days after receipt of the communication in paragraph (14), consider the matter and issue a final declaration which shall be binding on all parties. A member against whom a complaint is made shall not, participate in the deliberations and activities of a Constituency Committee from the time the Constituency Committee starts considering the complaint. If a member against whom a complaint is made responds to the allegations to the satisfaction of a Constituency Committee and the committee decides in favour of such member, the member shall resume duties as a member of the Committee.

A Constituency Committee may remove the Chairperson or secretary from their respective positions for failing to perform their functions, under regulations 8 and 9 respectively. A Constituency Committee shall inform the Chairperson or Secretary of the reasons for the proposed removal, and shall give the Chairperson or Secretary reasonable opportunity to be heard. A Chairperson or secretary who is removed pursuant to paragraph (19) shall continue to discharge duties as a member of the Constituency Committee. At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office.

e. NG-CDFC Induction and training

The committee on being inaugurated are taken for induction by the NG-CDF Board. However, by 30th June 2025, the board had not planned for the new committee members training.

The new committee members were trained on 05th to 08th July 2025 at Starbucks Hotel in Eldoret.

f. Number of meetings;

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

In Mosop Constituency, the NG-CDF Committee conducted 15 meetings and 8 sub-committee meetings.

NGCDFC Members:

- | | |
|---------------------------|-------------------|
| 1. Charles Kipkoech Rutto | Chairman |
| 2. Harun K. Chebii | F.A.M. |
| 3. Pr. Nahum Mosbei | Secretary |
| 4. Joan Bwambok | Member |
| 5. Bethwel kiplagat | Member |
| 6. Stellah jelagat | Member |
| 7. Isaack Kurgat | Member |
| 8. Philip kipkogei | Member |
| 9. Sharon jerotich | Member |
| 10. Kennedy Nyamboga | D.C.C Nandi North |

	Name of committee member	Meetings held											
		03/07/2024	12/09/2024	21/09/2024	31/10/2024	16/11/2024	20/12/2024	30/01/2025	07/02/2025	09/02/2025	21/03/2025	25/03/2025	02/06/2025
1	Hillary Kirwa	√	√	√	√	√	√	√	√	√	√	√	√
2	Harun K. Chebii	√	√	√	√	√	√	√	√	√	√	√	√
3	Joan Bwambok	√	√	√	√	√	√	√	√	√	√	√	√
4	Silah Ngetich	√	√	√	√	√	√	√	√	√	√	√	√
5	Nahum Mosbei	√	√	√	√	√	√	√	√	√	√	√	√

National Government Constituencies Development Fund (NGCDF)
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6	Isaack Kurgat	√	√	√	√	√	√	√	√	√	√	√	√
7	Reuben Kipyego	√	√	√	√	√	√	√	√	√	√	√	√
8	Emily Jepkemboi	√	√	√	√	√	√	√	√	√	√	√	√
9	Kennedy Nyamboga	√	√	√	√	√	√	√	√	√			√
10	Florence Karan	√	√	√	√	√	√	√	√	√			√
11	William Kingi										√	√	√
12	Charles Kipkoech Rutto												√
13	Sharon Jerotich												√
14	Stellah Jelagat												√
15	Philip Kipkogei												√
16	Bethwel Kiplagat												√

g. Remuneration Rates

The sitting allowances payable are Kshs.5,000.00 per member and Kshs.7,000.00 for the chairperson for each meeting attended.

h. Disclose the policy on conflict of interest

Mosop NGCDF Committee has taken proactive approach to management of conflict of interest that may arise from its members and other relevant stakeholders either directly or in directly. To this end, at the beginning of every committee meeting all members are required to declare any conflict of interest that they may have on the agenda of every meeting which whenever declared, would be recorded in the minutes and in the conflict-of-interest register.

i. 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.

j. 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.

k. Risk Management

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

- a) Risk identification to identify potential risks that may affect its day-to-day operations
- b) Risk assessment and analysis to assess the likelihood and potential impact of identified risks on operations
- c) Risk mitigation and control by developing strategies to minimize the impact of risks or prevent them from occurring and ensure proper controls are in place to monitor ongoing risks and implement preventive measures during project execution.
- d) Compliance with Legal and Regulatory Frameworks by ensuring that all NG-CDF projects adhere to legal and regulatory frameworks to avoid risks associated with non-compliance. This includes compliance with procurement laws, environmental impact assessments, and financial regulations.
- e) Stakeholder engagement and communication by regularly engaging with stakeholders, including the community, local government officials, and contractors, to manage expectations and prevent risks related to miscommunication or misunderstanding.
- f) Monitoring and Evaluation by continuously monitoring the progress of projects to identify emerging risks early and take corrective action.
- g) Crisis Management which is achieved by developing and implementing crisis management plans for responding to unforeseen events that could severely disrupt projects
- h) Capacity Building to ensure that committee members and staff involved in project implementation are trained in risk management practices. This includes financial management, project management, and compliance training to enhance overall risk awareness.

7. Management Discussion and Analysis

Background Information

The National Government Constituencies Development Fund (NG-CDF) is established under section 4 of the NG-CDF Act 2015 as amended in 2023, with the objective of supplementing infrastructure development at the constituencies level in matters falling within the exclusive functions of the National Government; facilitating provision of sustainable development in all parts of the republic; and progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution of Kenya.

The Fund is managed by the NG-CDF Board which is a body corporate established under section 14, 15 and 16 of the Act, whose functions are to receive project proposals submitted by various constituencies; approve for funding projects proposals that are in line with the NG-CDF Act; timely and efficient disbursement of funds to constituencies with respect to the approved projects; and ensure efficient management of the Fund, among other functions.

Mosop Constituency NG-CDF Committee is established under section 43 of the NG-CDF Act 2015 as amended in 2023.

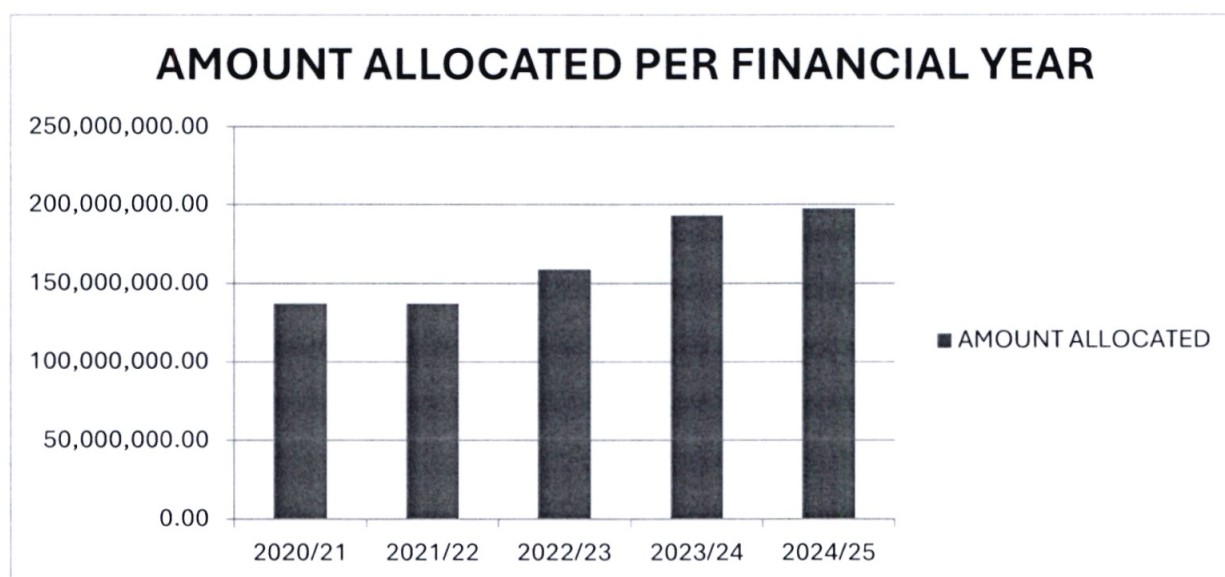
The Management Discussion and Analysis provide an overview of the operational and financial performance of the Mosop Constituency National Government Constituencies Development Fund (NG-CDF) over the last five financial years. It highlights major achievements, ongoing projects, financial trends, compliance with statutory requirements, risks and challenges, and the outlook for the coming period.

Mosop National Government Constituency Development Fund Committee operates within Nandi County, in Kenya and pursuant to the provisions of the National Government CDF Act of 2015 allocates funds to various projects with reference to the priorities of the public participation meetings held across the constituency.

Operational and Financial Performance

Over the last five years, Mosop Constituency has been allocated a total of Kshs 823,326,644.23 as illustrated in the table below:

S/NO.	FINANCIAL YEAR	AMOUNT ALLOCATED
1.	2020/2021	137,102,879.31
2.	2021/2022	137,088,879.00
3.	2022/2023	158,832,745.00
4.	2023/2024	192,915,991.00
5.	2024/2025	197,386,149.92
TOTAL		823,326,644.23



Key Projects implemented

Over the years Mosop NG-CDF has implemented high impact project among them being issuance of bursaries to needy students in various learning institutions amounting to **Kshs. 218,260,094.69**. This has gone a long way to ensure the government policy of 100% transition has become a success story in Mosop NG-CDF. Additionally in social security Mosop NG-CDF has committed **Kshs. 18,000,000.00** to pay for annual medical insurance cover for 1,000 vulnerable families in partnership with SHIF.

In the climate change mitigation activities, Mosop NG-CDF has spent Kshs. 12,530,000.00 on various projects ranging from tree planting, rain water harvesting interventions and solar power systems installations.

Compliance with Statutory Requirements, Major Risks Facing the Fund, Material Arrears in Statutory and Other Financial Obligations

Mosop NG-CDF operates in compliance with the NG-CDF Act, 2015 as (amended 2023) and NG-CDF Regulations 2016, the Public Finance Management (PFM) Act, 2012, Public Procurement and Disposal act 2015 and applicable IPSAS reporting standards.

Mosop has fully complied with key statutory and regulatory requirements, including:

- a) Preparation and submission of quarterly and annual financial reports to the NG-CDF Board and the National Treasury.
- b) Full adherence to the Public Procurement and Asset Disposal Act, 2015.
- c) Timely remittance of statutory deductions such as PAYE, NSSF, and NHIF.
- d) Regular internal audits and external audits by the Office of the Auditor-General.
- e) Compliance with the transition to accrual-based IPSAS reporting effective FY 2024/2025.

In its operating environment Mosop NG-CDF faces Major Risks which include but are not limited to the following:

- i) **Delayed Disbursement:** Late disbursement of funds by the NG-CDF Board remained a major bottleneck, contributing to low absorption rates and delayed project rollouts.
- ii) **Inflation and Cost Escalation:** Rising inflation and volatile exchange rates significantly affected construction costs, often leading to budget overruns, scope reductions, or retendering.
- iii) **Procurement Delays:** The transition to the Government's electronic procurement platform (e-GPS) revealed capacity gaps among Committee members, staff, and contractors, slowing down procurement efficiency and by extension slowing down project execution.
- iv) **Climate Risks:** Adverse weather conditions affecting infrastructure projects implementation.

v) **Legal and Policy Uncertainty:** The recent court ruling declaring the NG-CDF Act unconstitutional and mandating a cessation of operations by **30th June 2026** has created uncertainty for staff, contractors, and communities. This development has complicated planning for multi-year projects and raised concerns about the sustainability of NG-CDF-supported initiatives.

Mosop NG-CDF had an amount of **Kshs. 62,824,922** as undisbursed funds receivable from the board as at 30th June 2025 while it did not have any material statutory or financial obligations at the same date.

Review of the Economy, Review of the sector and Future development

(a) National Economic Environment

The Kenyan economy demonstrated gradual recovery following global disruptions caused by the COVID-19 pandemic and external shocks such as inflation and currency depreciation. Government investments in infrastructure, education, and social programs have continued to stimulate growth at the constituency level.

(b) Education Sector Outlook

The continued government policy on 100% transition from primary to secondary education has increased demand for learning facilities, thereby influencing the Mosop NG-CDF prioritization of education infrastructure.

(c) Constituency Development Sector

Under the NG-CDF framework, increased emphasis on transparency, accountability, and community participation has enhanced project ownership and sustainability.

Going forward, Mosop Constituency NG-CDF aims to:

- i. Expand ICT penetration by establishing Constituency Digital Hubs in every ward in adherence to the guidelines issued by the ministry of Information, Communication and Digital Economy.

- ii. Strengthen vocational training through equipping Technical and Vocational Education and Training (TVET) institutions.
- iii. Promote green and sustainable initiatives, including tree planting and renewable energy adoption.
- iv. Improve project monitoring and evaluation through digital tools and GIS mapping.
- v. Build stronger partnerships with stakeholders including NGOs, and private sector actors for co-financing and technical support.

Conclusion

The Mosop Constituency NG-CDF has demonstrated commendable performance in implementing development projects that directly impact the lives of residents. Through prudent financial management, community participation, and strong governance structures, the Mosop NG-CDF has maintained average absorption rates, compliance with legal frameworks, and sustainable project outcomes.

Management remains committed to continuous improvement in service delivery, transparency, and accountability in the use of public resources for the benefit of the people of Mosop Constituency.



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Erick Kimathi Kiraithe
Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, Mosop NG-CDF has allocated part of its budget for environmental conservation through activities such as water harvesting and conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

3. Employee welfare

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

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

4. Marketplace practices-

Mosop Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Mosop 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

Mosop Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

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

The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional, and national agencies, as well as for conducting community-based needs assessments, public awareness campaigns, and community meetings.

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



.....
Erick Kimathi Kiraithe
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- Mosop 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-Mosop Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Mosop Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Mosop Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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

Approval of the financial statements

The NGCDF- Mosop Constituency financial statements were approved and signed by the Accounting Officer on _____ 2025.



.....
Name: Charles Kipkoech Rutto
Chairman – NGCDF Committee



.....
Name: Erick Kimathi Kiraithe
Fund Account Manager

REPUBLIC OF KENYA



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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOSOP 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 Mosop National Government Constituency Development Fund set out on pages 1 to 81 which

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

comprise of the statement of financial position as at 30 June, 2025, and 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 – Mosop 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 Public Finance Management Act, 2012 the National Government Constituencies Development Fund Act, 2015 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccurate Reporting of Gratuity Provision Balance

The statement of financial position reflects a gratuity provision balance of Kshs.1,502,208 as disclosed in Note 29 to the financial statements. Included in the balance is gratuity held during the period amounting to Kshs.780,900. However, audit review of the Family Bank deposit cash book revealed payment during the year of Kshs.533,012 not deducted from provision for gratuity resulting in an unreconciled difference of Kshs.969,196

In the circumstances, the accuracy and completeness of the gratuity provision balance of Kshs.1,502,208 could not be confirmed.

2. Irregular Use of Deposit Account for Non-Designated Expenditures

The statement of financial position reflects third-party deposits balance of Kshs.3,104,351 as disclosed in Note. 27 to the financial statements. Included in the balance is Kshs.1,187,985 relating to retention monies paid during the period. However, review of the Deposit Account Cash Book revealed that only Kshs.91,554 was actually paid during the period to a contractor resulting in an unexplained variance of Kshs.1,096,431.

In the circumstances, the accuracy and completeness of the Third-Party Deposits balance of Kshs.3,104,351 could not be confirmed.

3. In-accuracies in Cash and Cash Equivalents

The statement of the financial position reflects cash and cash equivalents balance of kshs.150,645,888 as reflected in Note 19 to the financial statements. Included in the balance is an amount held in Bank Deposit account that was disclosed in the financial statements as Kshs.1,479,096 instead of Kshs.1,111,719 as reflected by the Bank reconciliation statement resulting to unreconciled variance of kshs.367,377. Further, it was noted that Bank balance confirmation certificates for bank deposit account, main

accounts were not provided for audit review. In addition, as previously reported, there were payments of Kshs.2,900,250 in the bank statement not in the cash book as disclosed in the bank reconciliation statement which were however, not supported by expenditure records and payment vouchers.

In the circumstances the accuracy of cash and cash equivalent balances of Kshs.150,645,888 could not be confirmed.

4. Project Management Committee (PMC) Bank Balances

The statement of the financial position reflects cash and cash equivalents balance of kshs.150,645,888 as disclosed in Note 19 to the financial statements. Included in the balance is Kshs.43,207,031 held in Project Management Committee (PMC) accounts in respect of one hundred and six (106) bank accounts maintained in five commercial banks. However, cashbooks and bank reconciliation statements for all bank accounts were not provided for review.

In the circumstances, the accuracy of the balance of Kshs.43,207,031 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 - Mosop Constituency in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.327,739,714 and Kshs.264,914,792 resulting to underfunding of Kshs.62,824,922 or 19% of the budget. Similarly, the Fund spent an amount of Kshs.114,296,404 against actual receipts of Kshs.264,914,792 resulting to an under-expenditure of Kshs.150,618,388 or 57% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report of the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, Emphasis of Matter and Other Matter. Even though Management has provided explanation on progress made on the recommendations made, the issues have remained unresolved. However, the issues remain unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require Accounting Officers designated for County Government entities to try to resolve any issues resulting from an audit that remain outstanding. See **Appendix I**.

Other Information

The Fund Management is responsible for the Other Information set out on page iii to xxxvii which comprise of Key Project Information and Management, National Government Constituencies Development Fund Committee, National Government Constituencies Development Fund Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Exchequer Releases

The statement of financial performance reflects transfers from the National Government Constituency Development Fund (NGCDF) Board amount of Kshs.197,386,150 as disclosed in Note 6 to the financial statements. However, review of records revealed that the Fund received exchequer releases amounting to Kshs.69,000,000 during the month of June 2025, as summarized below:

Date	AIE No.	Amount (Kshs.)
17 June, 2025	B329386	20,000,000
18 June, 2025	B278849	24,000,000
27 June, 2025	B327728	25,000,000
	Total	69,000,000

In addition, the statement of financial position reflects receivables from non-exchange transactions balance of Kshs.62,797,422 as disclosed in Note 21 to the financial statements which relates to amounts not yet received from the National Government Constituency Development Fund Board. However, as at the time of review in the month October, 2025 only Kshs.50,386,150 had been received, leaving a balance of Kshs.12,411,272 uncollected.

In the circumstances, value for money of Kshs.12,411,272 is lost due delayed release of exchequer.

2. Lack of Land Ownership Documents

The statement of financial performance reflects other Government units' actual expenditure amount of Kshs.31,226,386 as disclosed in Note 13 to the financial statements. Included in the amount is Kshs.15,838,046 for primary schools' actual expenditure and Kshs.15,388,340 for secondary schools' actual expenditure. However, review of documents provided revealed that an amount of Kshs.7,000,000 was incurred for the purchase of various parcels of land for various schools with no ownership documents.

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

3. Irregular Use of Emergency Funds

The statement of financial performance reflects other grants and transfers actual expenditure of Kshs.68,438,349 as disclosed in Note 14 to the financial statements. Included in the amount is Kshs.2,152,272 spent on emergency projects actual expenditure without reporting to the Board. This was contrary to Section 20(2) of the National Government Constituencies Development Fund Act, 2015 which state that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency in the format prescribed by the Board.

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

4. Non-Compliance with Ethnic Diversity

During the year, it was noted that the National Government Constituency Development Fund (NGCDF) Committee comprised ten (10) members, all drawn from a single ethnic community. This was contrary to the provisions of Section 7(2) of the National Cohesion and Integration Act, 2008. Similarly, review of the June, 2025 staff payroll revealed that all the eight (8) employees were from the same ethnic community.

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

5. Projects Verification Status

During the year, it was noted that, the Fund received kshs.77,300,000 for implementation of seventy-four (74) projects in Mosop constituency as reflected in the 2024/2025 Authority to Incur Expenditure (AIE) receipts. However, analysis of the projects implementation status revealed that out of the total number of seventy-four (74) projects, only three (3) projects worth Kshs.3,000,000 were implemented translating to a balance of kshs.74,300,000 unspent project funds. The service delivery was not realized in seventy-one (71) beneficiaries whose funds are still held in the Fund's bank account awaiting the procurement process. This was contrary to Section 68(1) of the Public Finance Management Act, of 2012 which states that an Accounting Officer for a Government entity, shall be accountable for ensuring that the resources of the respective entity for which he or she is the Accounting Officer are used in a way that is— (a) lawful and authorized; and (b) effective, efficient, economical and transparent.

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

6. Long Outstanding Taxes from NGCDF Operations

Review of National Government Constituencies Development Fund Board letter dated 16 September, 2025 on feedback to the Decentralized Funds Accounts Committee of the National Assembly and Kenya Revenue Authority letter dated 17 June, 2025 on enforcement of outstanding taxes owed by National Government Constituency Development Funds revealed that the Fund had tax arrears totaling 45,809 made up of outstanding PAYE of Kshs.22,458; withholding VAT Kshs.3,476 and withholding income tax of Kshs.19,875 contrary to Section 92 of the Income Tax Act (Cap 470) which stipulates that tax charged in any assessment shall be due and payable. Failure to remit these taxes can result in penalties, with unremitted taxes being recovered from the respective Constituency accounts.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

28 November, 2025

Appendix I: Unresolved Prior Year Matters 2023-2024


No.	Issue	Basis for Qualified Opinion
1.	Unsupported cash and cash equivalents	Report on Financial statement
2.	Unsupported Project Management Committee (PMC) bank balances	Report on Financial statement
3.	Budgetary Control and Performance	Emphasis of Matter
4.	Delayed Implementation of Project	Report on Lawfulness and Effectiveness in the Use of Public Resources of
5.	Unsupported Emergency Project	Report on Lawfulness and Effectiveness in the Use of Public Resources of

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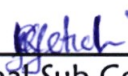
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024/2025 Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	197,386,150
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	27,500
Total revenue		197,413,650
Expenses		
Employee costs	10	4,396,945
Committee expenses	11	3,487,397
Use of Goods and Services	12	8,402,438
Other Government Units Actual expenditure	13	31,226,386
Other Grants and Transfers Actual expenditure	14	68,438,349
Depreciation and amortization expense	15	236,518
Digital Hubs Actual expenditure	16	-
Total expenses		116,188,032
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		81,225,618

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



Chairman NG-CDF
Committee
Name: Charles Kipkoech
Rutto



National Sub-County
Accountant
Name: Regina Ngetich
ICPAK M/No: 17835



Fund Account Manager
Name: Erick Kimathi Kiraithe


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


	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	150,645,888	58,739,568
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	62,797,422	71,586,496
Prepayments	22	-	-
Total Current Assets		213,443,310	130,326,064
Non-Current Assets			
Property, Plant and Equipment	23	1,165,623	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		1,165,623	-
Total Assets (A)		214,608,932	130,326,064
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	3,104,351	828,000
Lease Liabilities	28	-	-
Gratuity provision	29	1,502,208	721,308
Total Current Liabilities		4,606,559	1,549,308
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		4,606,559	1,549,308
Net Assets (A-B)		210,002,373	128,776,756
Represented by:			
Revaluation Reserves		210,002,373	128,776,755
Accumulated Surplus			
Total Net Assets		210,002,373	128,776,755

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

The Constituency financial statements set out on pages 2 to 5 approved by NG CDFC on _____
2025 and signed by:




Chairman NG-CDF
Committee
Name: Charles Kipkoech
Rutto



National Sub-County
Accountant
Name: Regina Ngetich

ICPAK M/No: 17835



Fund Account Manager
Name: Erick Kimathi Kiraithe

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance As at 30 th June 2024 (cash basis)	-	51,234,486	51,234,486
Adjustments			
Recognition of Assets	-	79,091,577	79,091,577
Recognition of Liabilities	-	(1,549,308)	(1,549,308)
As at July 1, 2024		128,776,755	128,776,755
Surplus/(Deficit) For the Period	-	81,225,618	81,225,618
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)	-	210,002,373	210,002,373

Note:

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

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		206,175,224
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		27,500
Total Receipts		206,202,724
Payments		
Employee costs		3,616,045
Committee expenses		3,487,397
Use of Goods and Services		8,402,438
Other Government Units Certified Works		29,218,589
Other Grants and Transfers		68,169,795
Digital Hubs Expenses		-
Total Payments		112,894,264
Net Cash Flows from/ (used in) Operating Activities	30	93,308,460
Cash flows From Investing Activities		
Purchase of PPE		1,402,140
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		1,402,140
Net increase/(decrease) in cash & Cash equivalents		91,906,320
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		91,906,320
Cash and cash equivalents at Period Start	17	58,739,568
Cash and cash equivalents at Period End	17	150,645,888

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	197,386,150	58,767,068	71,586,496	327,739,714	264,914,792	62,797,422	81%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	27,500	-	-	27,500	27,500	27,500	
Totals	197,386,150	58,767,068	71,586,496	327,739,714	264,914,792	62,824,922	81%
Expenses							
Employee costs	4,648,142	2,205,910	721,308	7,575,360	3,616,045	3,959,316	48%
Committee expenses	4,328,000	86,037	-	4,414,037	3,487,397	926,640	79%
Use of Goods and Services	8,788,611	5,651,491	-	14,440,102	8,402,438	6,037,664	58%
Other Government Units Certified Works	67,950,000	5,742,169	63,755,188	137,447,357	29,218,589	108,228,768	21%
Other Grants and Transfers	105,671,396	38,199,143	4,010,000	147,880,539	68,169,795	79,710,744	46%
Other Payment	6,000,000	6,126,920	2,000,000	14,126,920	-	14,126,920	0%
Acquisition of Asset	-	731,898	1,100,000	1,831,898	1,402,140	429,758	77%
Funds Pending Approval**	-	51,000	-	51,000	-	51,000	0%
Total Expenditure	197,386,150	58,794,568	71,586,496	327,767,213	114,296,404	213,470,810	35%

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

The funds were disbursed by the NGCDF board at the tail end of the financial year

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Budget utilization difference totals	213,470,810
Less undisbursed funds receivable from the Board as at period 30, 2025	62,824,922
Cash and Cash Equivalents at the end of the 30 th June 2025	150,645,888
Budget utilization difference totals	213,470,810


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on _____ 2025 and signed by:



Fund Account Manager

Name: Erick Kimathi Kiraithe



National Sub-County Accountant

Name: Regina Ngetich
ICPAK M/No:17835



Chairman NG-CDF Committee

Name: Charles Kipkoech Rutto

National Government Constituencies Development Fund (NGCDF)
MOSOP 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	Budget utilization
					comparable basis	
		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	4,648,142	2,205,910	721,308	7,575,360	3,616,045	3,959,316
1.2 Committee allowances	2,128,000	86,037	-	2,214,037	2,152,958	61,079
1.3 Use of goods and services	5,067,027	1,355,170	-	6,422,197	3,892,170	2,530,027
Sub-total	11,843,169	3,647,117	721,308	16,211,594	9,661,173	6,550,421
2.0 Monitoring and evaluation						
2.1 Capacity building	750,000	1,395,690		2,145,690	926,360	1,219,330
2.2 Committee allowances	2,200,000			2,200,000	1,334,439	865,561
2.3 Use of goods and services	2,971,585	2,900,631		5,872,216	1,370,478	4,501,738
Sub-total	5,921,585	4,296,321	-	10,217,906	3,631,277	6,586,629
4.0 Emergency						

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	10,388,745			10,388,745	2,152,272	8,236,473
unutilized		4,493,512		4,493,512		4,493,512
Sub-total	10,388,745	4,493,512	-	14,882,257	2,152,272	12,729,985
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	48,082,652	14,089,890		62,172,542	56,951,308	5,221,234
5.3 Tertiary Institutions	18,000,000	3,897,290		21,897,290	3,572,689	18,324,601
5.4 special needs	1,000,000	-		1,000,000	-	1,000,000
5.5 Education Support Programmes				-		-
5.6 Social Security	6,000,000	12,000,000		18,000,000		18,000,000
Sub-total	73,082,652	29,987,180	-	103,069,832	60,523,997	42,545,835
6.0 Sports						
				-		-
Sub-total	-	-	-	-	-	-
7.0 Environment						
Ack Singilet Primary School	100,000			100,000		100,000

*National Government Constituencies Developments Fund (NGCDF)
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Philip Biwott Primary School	100,000			100,000		100,000
Kapnganio Primary School	100,000			100,000		100,000
Tuktuk Secondary School	300,000			300,000		300,000
Kamulat Primary School	100,000			100,000		100,000
Kaplemur Primary School	100,000			100,000		100,000
Ngariet Primary School	100,000			100,000		100,000
Aic Kamotong Primary School	300,000			300,000		300,000
Fathers Lelei and Toror Primary School	100,000			100,000		100,000
Olmatoroi Primary School	100,000			100,000		100,000
Kurgung Township primary school	100,000			100,000		100,000
Tulwo Girls Secondary School	300,000			300,000		300,000
St Thomas Primary School	100,000			100,000		100,000
Aic Ndulele Primary School	100,000			100,000		100,000
Aic Cheptuiyet Primary School	100,000			100,000		100,000
Sda Kimolwet Secondary School	300,000			300,000		300,000
Kebulonik Primary School	100,000			100,000		100,000

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

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Kipsamoite Primary School	100,000			100,000		100,000
Kugeroniot Primary School	100,000			100,000		100,000
Kibigobe Secondary School	300,000			300,000		300,000
St Andrew's Primary School	100,000			100,000		100,000
Muruto Primary School	100,000			100,000		100,000
Ack St Mathews Kormaet Secondary School	100,000			100,000		100,000
Cheloiyo Primary School	300,000			300,000		300,000
Singilet Primary School	100,000			100,000		100,000
ADC Tolilet Primary School	100,000			100,000		100,000
ACK Kolonget Primary School	100,000			100,000		100,000
AIC Tangaratwet Secondary School	300,000			300,000		300,000
Kabiyet Police Station	300,000			300,000		300,000
St Mary's Kababiy Primary School	300,000			300,000		300,000
Cheptilil suswo Primary School		100,000		100,000		100,000
Bishop Muge Kamogoiwo Primary School		300,000		300,000		300,000
Kamulat Primary School			300,000	300,000		300,000

National Government Constituencies Development Fund (NGCDF)

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Kapkagaron Primary School			300,000	300,000		300,000
Kapnganio Secondary School			300,000	300,000		300,000
St Peters Kamasai Secondary School			300,000	300,000		300,000
Lelechwet Primary School			300,000	300,000		300,000
ACK ST Mathew's kormaet sec school			300,000	300,000		300,000
St. Peters Birei Primary school			210,000	210,000		210,000
Sub-total	4,800,000	400,000	2,010,000	7,210,000	-	7,210,000
8.0 Primary Schools Projects						-
ACK St John Kapkorio Primary School	1,200,000			1,200,000		1,200,000
Bishop Muge Memorial School	2,600,000			2,600,000		2,600,000
All Saints Bishop Muge Kapkoimur Primary School	1,300,000			1,300,000		1,300,000
SDA Kolonget Primary School	1,300,000			1,300,000		1,300,000
Kapkeben Primary School	1,300,000			1,300,000		1,300,000
ACK Kapkeringon Primary School	3,900,000			3,900,000		3,900,000
AIC Kapkatet - Kimogoch Primary School	1,300,000			1,300,000		1,300,000

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

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Bishop Kogo Primary School - Cheptil	1,300,000				1,300,000		1,300,000
Kebulwet Primary School	1,300,000				1,300,000		1,300,000
Chepkatet Primary School	1,000,000				1,000,000		1,000,000
St Pauls Kemeliet Primary School	1,300,000				1,300,000		1,300,000
Sda Kimolwet Primary School	1,300,000				1,300,000		1,300,000
Kapkagaron Primary School	500,000				500,000		500,000
St Thomas Primary School	1,300,000				1,300,000		1,300,000
Tuktuk Primary School	800,000				800,000		800,000
Sarora Primary School	700,000				700,000		700,000
Kaptebee Primary School	1,500,000				1,500,000		1,500,000
Aic Kimong Primary School	1,300,000				1,300,000		1,300,000
Kipkaren Township Primary School	1,500,000				1,500,000		1,500,000
AIC Cheplapkei Primary School	1,600,000				1,600,000		1,600,000
Chepkiep Primary School	1,300,000				1,300,000		1,300,000
AIC Kaptich Primary School	500,000				500,000		500,000
Chemnoet Primary School	1,000,000				1,000,000		1,000,000

National Government Constituencies Development Fund (NGCDF)
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Ndalat Jobs Outreach Primary School	750,000			750,000		750,000
Ngariet Primary School	1,300,000			1,300,000		1,300,000
Aic Kamotong Primary School	1,300,000			1,300,000		1,300,000
Sangalo Township Primary School	500,000			500,000		500,000
Ack Kapkenyeloi Primary School	1,300,000			1,300,000		1,300,000
Tabolwa Primary School	1,300,000			1,300,000		1,300,000
Kipsamoite Adventist Primary School	1,300,000			1,300,000		1,300,000
Segemik Primary School	1,300,000			1,300,000		1,300,000
Sda Tiriin Primary School	1,300,000			1,300,000		1,300,000
Lelaibei Primary School	2,000,000			2,000,000		2,000,000
ADC St Dorcas Special School			4,000,000	4,000,000		4,000,000
Aic Kaptich Primary School			3,900,000	3,900,000	3,872,720	27,280
All saints kebulonik primary school			1,300,000	1,300,000	1,281,230	18,770
Cheloiyo Primary School			942,915	942,915		942,915
Chepngabai Primary School			1,500,000	1,500,000		1,500,000
Cheptonon Primary School			2,157,807	2,157,807		2,157,807

National Government Constituencies Development Fund (NGCDF)
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Kamungei primary school			1,300,000	1,300,000	1,279,030	20,970
Kapchebosei primary school			1,300,000	1,300,000	344,560	955,440
Kapkawa Baptist Primary School			1,500,000	1,500,000		1,500,000
Kapkorio primary school			1,300,000	1,300,000	1,122,380	177,620
Kaptebee primary school		100,000		100,000		100,000
Ketam Primary			2,600,000	2,600,000		2,600,000
Ngoroin primary school			1,300,000	1,300,000	1,288,560	11,440
Ngoromosho primary school			1,300,000	1,300,000	537,186	762,814
Samutet Primary School			2,600,000	2,600,000		2,600,000
Sda Koilel Primary School			3,900,000	3,900,000	3,554,320	345,680
SDA Panama primary school			1,300,000	1,300,000	1,279,030	20,970
Soimining Primary School			1,300,000	1,300,000	1,279,030	20,970
St Allamano Ngenyilel Primary School			1,000,000	1,000,000		1,000,000
St James Ngoroin Primary School			1,300,000	1,300,000		1,300,000
St Mark Chesaram Primary School			3,000,000	3,000,000		3,000,000
St Peters Birei Primary School			2,600,000	2,600,000		2,600,000

National Government Constituencies Development Fund (NGCDF)

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St Peters Kapsean Primary School			1,000,000	1,000,000		1,000,000
St. John Paul II Cheramei Primary			2,600,000	2,600,000		2,600,000
Teresia Boarding Primary School			600,000	600,000		600,000
Cheloiyo Primary School			154,466	154,466		154,466
abc Labuiywet Primary School		30,703		30,703		30,703
Sangalo Primary School		1,064		1,064		1,064
St. Pauls Kapkechui Primary School		167,871		167,871		167,871
ACK Kolonget Primary School		4,520		4,520		4,520
Kurgung Basic Primary School		55,616		55,616		55,616
Kapnganio Primary School		322,916		322,916		322,916
Kabisaga Primary School		11,695		11,695		11,695
AIC Chepyagoris High School		24,156		24,156		24,156
St. Charles Lwanga Chepkoiyo		108,918		108,918		108,918
Kapserton Primary School		42,933		42,933		42,933
SDA Tiriin Primary School		1,459		1,459		1,459
ACK Kimogoch Primary School		1,840		1,840		1,840
Cheptil Primary School		76,654		76,654		76,654

National Government Constituencies Development Fund (NGCDF)
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All Saints Kamoiywo Primary School		1,064		1,064		1,064
SDA Kimolwet Primary School		115,179		115,179		115,179
Blessed St. John Paul 11 Cheramei		17,263		17,263		17,263
PAG Kabiye Senior Katonon Primary School		208,314		208,314		208,314
Kimong Primary School		1,195		1,195		1,195
SDA Koisolik Primary School		605		605		605
Kapnganio Seceondary School		323		323		323
AIC Laboret Girls High School		17,889		17,889		17,889
Kamungei Police Post		4,036		4,036		4,036
Kimngoror Chiefs Office		455		455		455
Bishop Muge School Kamogoiywo		110,960		110,960		110,960
Kakiptiu Primary School		37,443		37,443		37,443
Bishop Muge School Kamogoiywo		110,960		110,960		110,960
Soin Primary School		254		254		254

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St. Josephs Kamasia Primary School		1,834		1,834		1,834
Kormaet Primary School		144,383		144,383		144,383
St. Augustine Murto Primary School		48,415		48,415		48,415
Murto Primary School		1,976		1,976		1,976
Kamulat Primary School		168,455		168,455		168,455
Kibigobe Primary School		5,852		5,852		5,852
Kapkorio Primary School		111,201		111,201		111,201
Kakiptiu Primary School		37,443		37,443		37,443
St. Michael Kabisaga Secondary School		6,143		6,143		6,143
Cheptil Primary School		76,654		76,654		76,654
S.D.A.Kolonget Primary School		19,668		19,668		19,668
A.B.C. Labuiywet Primary School		30,703		30,703		30,703
A.D.C Tolilet Primary School		270,753		270,753		270,753
St. Peters Kamasai Primary School		216,025		216,025		216,025
Bishop Muge Memorial School		501		501		501

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St. Thomas Kapkoros Academy		2,578		2,578		2,578
AIC Sosirot Primary School		162		162		162
Chepkatet Primary school		35,782		35,782		35,782
AIC Chepkemel Secondary School		5,766		5,766		5,766
AIC Kaptich Boarding Primary School		55,157		55,157		55,157
Ndalat Gaa Secondary School		7,753		7,753		7,753
St. Anthony Tulwet Primary School		64,284		64,284		64,284
St. Clement Secondary School - Nyigoon		17,732		17,732		17,732
A.I.C Kamboga Primary School		98,625		98,625		98,625
AIC Ndulele Primary School		145,403		145,403		145,403
Tabolwa Primary School		138,379		138,379		138,379
Father Toror Lelei Primary School		1,679		1,679		1,679
ACK Bishop Kogo Cheptil		23,590		23,590		23,590
Ndalat D.E.B. Primary School		1,698		1,698		1,698
AIC Cheplabkei Primary School		822		822		822

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ACK Chepkoiyo Mission		1,950		1,950		1,950
ACK St. Barnabas Kabunyeria Primary School		107		107		107
Ngariet Primary School		1,714		1,714		1,714
Koromo Primary School				-		-
AIC Singilet Primary School		160,099		160,099		160,099
Chepyewet Primary School		834		834		834
St. Alamano Ngenyilel Primary Sch.		6,261		6,261		6,261
Surungai Primary School		36,908		36,908		36,908
Ndalat Primary School		38,355		38,355		38,355
Cheptil Secondary School		215,395		215,395		215,395
Cheptonon Primary School		43,908		43,908		43,908
Kaplemur Primary School		68,132		68,132		68,132
Teresia Boarding Primary School		62,835		62,835		62,835
Chemnoet Primary School		129,671		129,671		129,671
Nyigoon Primary School		30,072		30,072		30,072
St. Francis Katanin Primary School		270,093		270,093		270,093

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Chepsaita Primary School		5,700		5,700		5,700
Cheptonon Primary School		430		430		430
Kapsabaot Primary School		5,934		5,934		5,934
Ndalat Primary School		38,355		38,355		38,355
Chepkemel Primary School		71,005		71,005		71,005
Tegeiyat Primary School		116,558		116,558		116,558
Kabiemit Primary School		156,988		156,988		156,988
Kebulwet Primary School		11,421		11,421		11,421
AIC Kapkenyeloi Primary School		2,373		2,373		2,373
Kapkeringon Primary School		39,604		39,604		39,604
A.I.C Kabiye Primary School		2,880		2,880		2,880
St.Peters Kapsean Primary School		1,803		1,803		1,803
A.I.C Cheptuiyet Secondary School		7,856		7,856		7,856
Kapchebosei Primary School		13,167		13,167		13,167
AIC Kapsean Primary School		9,130		9,130		9,130
				-		-
Sub-total	43,450,000	4,865,227	45,755,188	94,070,415	15,838,046	78,232,369

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9.0 Secondary Schools Projects (List all the Projects)					-	
St Peters Secondary School-Kamasai	1,500,000				1,500,000	1,500,000
Sarora Secondary School	5,000,000				5,000,000	5,000,000
Kurgung Boys High School	9,000,000		8,000,000		17,000,000	7,322,096
Olmararoi Secondary School	1,500,000				1,500,000	1,500,000
SDA Kurgung Girls Secondary School	1,500,000	423,763	1,500,000		3,423,763	2,110,785
AIC Moi Kabiemit Secondary School	6,000,000				6,000,000	6,000,000
Ndalat Gaa Girls Secondary School			4,000,000		4,000,000	4,000,000
Koitalel Samoei High School		417,024	1,500,000		1,917,024	1,348,500
St John Paul II Chepterwai Girls Sec School			1,500,000		1,500,000	1,359,429
Aron Moiben Secondary School			1,500,000		1,500,000	1,331,769
ACK st. Mathews Girls School		2,452			2,452	2,452
ACK St. Lukes Kapngombe Secondary School		1,820			1,820	1,820
Tabolwa Secondary School		21,181			21,181	21,181

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St. Monicah Secondary School Kapkoros		70		70		70
St. Michael Secondary School Kabisaga		6,144		6,144		6,144
AIC Moi Kabiemit Secondary School		1,345		1,345		1,345
Sigot Secondary school		3,143		3,143		3,143
Sub-total	24,500,000	876,942	18,000,000	43,376,942	13,472,579	29,904,363
10.0 Tertiary institutions Projects (List all the Projects)						
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						-
Kabiyet DCC Project		1,268,451		1,268,451	1,097,080	171,371
Chepterwai Police Station	3,000,000			3,000,000		3,000,000
Kabisaga Chiefs Office	3,500,000			3,500,000		3,500,000
Civil Registration Office- Kabiyet	500,000			500,000		500,000

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Sub County Education Office, Kibiyet	500,000			500,000		500,000
Lolkeringet Chiefs Office	3,500,000			3,500,000		3,500,000
Sub County Administration Police Commander's Residence-Kibiyet	500,000			500,000		500,000
Kibiyet Assistant County Commissioner's Office	900,000			900,000		900,000
Kipkaren Assistant County Commissioner's Office	500,000			500,000		500,000
Surungai Chief's Office	3,500,000			3,500,000		3,500,000
Kamungei Police Post	1,000,000			1,000,000		1,000,000
Kamasai Chiefs Office		400,000		400,000		400,000
Kabiyemeit Chiefs Office		400,000		400,000		400,000
Kamasai Police Station		400,000		400,000		400,000
Kapkatet Chiefs Office		250,000		250,000		250,000
Kim'oror Chiefs Office		600,000		600,000	443,000	157,000
Chepkemel Chief's Office			1,500,000	1,500,000	1,245,000	255,000

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Kapkatet Chief's Office			500,000	500,000		500,000
Sub-total	17,400,000	3,318,451	2,000,000	21,450,000	1,688,000	19,762,000
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings		349,995	1,100,000	1,449,995	1,402,140	47,855
12.2 Construction of CDF office				-		-
NG-CDF OFFICE :		381,903		381,903		381,903
Sub-total	-	731,898	1,100,000	1,831,898	1,402,140	429,758
13.0 Others						
ICT HUB	6,000,000	-	-	6,000,000		6,000,000
13.1 Strategic Plan		3,426,920		3,426,920	3,226,920	200,000
13.2 kabiyet law courts			2,000,000	2,000,000		2,000,000
13.4 Renovation of NGCDF office:tilling,ceiling ,re-roofing,fascia board,glazing,replacements of 13 flush doorsand painting		2,300,000		2,300,000	2,300,000	-

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13.5;construction to completion of one door flush toilet at ksh,100,000 and purchase and installation of metallic gate at ksh. 300,000		400,000		400,000	400,000	-
Sub-total	6,000,000	6,126,920	2,000,000	14,126,920	5,926,920	8,200,000
Funds pending approval**				-		-
unapproved projects		-		-		-
AiA	-	51,000		51,000		51,000
Sub-total	-	51,000	-	51,000	-	51,000
Total	197,386,150	58,794,568	71,586,496	326,498,763	114,296,404	212,202,359

(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 Mosop Constituency principal activity is Management of decentralized funds disbursed by NG-CDFB.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Mosop 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 Mosop 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 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.
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.
IPSAS 45: Property Plant	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets

and Equipment	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.
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>
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 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>

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<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>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>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of

economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) **Related parties**

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

o) **Cash and Cash Equivalents**

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

p) **Comparative figures**

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

q) **Subsequent events**

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	0
Total	0

8. Finance income

Description	2024/2025
	Kshs
Interest Income on Bank Deposits	0
Total	0

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	-
Income from sale of tenders	27,500
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere <i>(specify)</i>	-
Total	27,500

10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,354,569
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	780,900
Employer Contributions Compulsory national social security schemes	206,250
Employer Contributions Compulsory Housing levy	50,426
Employer contributions to National Industrial Training Authority	4,800
Other Specify	-
Total	4,396,945

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	2,152,958
Other Committee expenses	1,334,439
Total	3,487,397

12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	322,219
Communication, supplies and services	175,000
Domestic travel and subsistence	1,302,266
Printing, advertising and information supplies & services	48,000
Office Rent	-
Training expenses	413,000
Hospitality supplies and services	513,360
Insurance costs	195,062
Specialized materials and services	-
Office and general supplies and services	836,133
Fuel, oil & lubricants	1,013,490
Bank Charges	40,000
Routine maintenance – vehicles and other transport equipment	200,728
Routine maintenance – other assets	116,260
Strategic plan expenses	3,226,920
Other operating expenses	-
Total	8,402,438

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	15,838,046
Secondary Schools Actual Expenditure	15,388,340
Tertiary Institutions Actual Expenditure	-
Total	31,226,386

14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	56,951,308
Bursary – tertiary institutions	3,572,689
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	2,962,080
Climate change mitigation projects	100,000
Emergency projects Actual Expenditure	2,152,272
Roads projects	-
Others specify	2,700,000
Total	68,438,349

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	236,518
Intangible Assets	-
Total	236,518

16. Digital Hubs Expenses

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

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

18. Impairment Loss

Description	2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-
Property, Plant and Equipment	-

(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)		
<i>family bank ,account no.097000041373,kapsabet branch (main account)</i>	102,598,357	47,801,386
<i>cooperative bank ,account no.001120086387700 branch (main account)</i>	3,433,100	3,457,107
<i>family bank ,account no.097000041403,kapsabet branch (deposit account)</i>	1,479,096	606,642
<i>PMC account balances</i>	43,207,031	6,898,439
Total	150,645,888	58,739,568
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

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20. Receivables from Exchange Transactions

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. a. Current receivables	-	-
b. 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	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year				
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total (a+b)				

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement
	Kshs		1st July 2024
	Kshs		Kshs
Transfers from NGCDFB	62,797,422		71,586,496
Outstanding imprest	-		-
Total	62,797,422		71,586,496

Description	Period ended June 2025		Opening Statement	
	Kshs		1st July 2024	
	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	62,797,422		-	
Between 1- 2 years	-		-	
Between 2-3 years	-		-	
Over 3 years	-		-	
Total (a+b)	-		-	

22. Prepayments

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

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	25%	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	1,052,140	350,000	-	-	1,402,140
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	1,052,140	350,000	-	-	1,402,140
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	131,518	105,000	-	-	236,518
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	131,518	105,000	-	-	236,518
Net Book Values									
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	920,623	245,000	-	-	1,165,623

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

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

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

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

24. Intangible Assets

Description	2024/2025
	Kshs
Cost	
Opening balance at 1 st July 2024	0
Additions	
Disposal	
At end of the 2025	
Amortization and impairment	
At beginning of the year	
Amortization	
At end of the year	
Impairment loss	
At end of the year	
NBV at July 1 st 2024	
NBV at June 30 th 2025	0

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(Comparative Period)				
Additions				
As At 30 June 2025 (Current FY)				
Accumulated Depreciation				
As At 1 July 2024 (Comparative period)				
Charge for the period				
As At 30 June 2024 (Comparative period))				
Charge for the period				
As At 30 June 2025 (Current FY)				
Carrying Amount				

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As At 30 June 2025 (Current FY)				
As At 30 June 2024. (Comparative Period)				

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)	Current FY	% 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>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	828,000	-
Retention held during the period (B)	3,464,336	828,000
Retention paid during the period (C)	1,187,985	-
Closing Retention as at period xx, D= A+B-C	3,104,351	828,000

Retentions aging analysis.

	2024/2025	% of the total	Opening statement 1 st July 2024	% of the total
Less than 1 year	-	-	-	%
1-2 years	3,464,336	74%	-	%
2-3 years	828,000	26%	828,000	%
Over 3 years	-	%	-	%
Total	3,104,351		828,000	

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

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Opening Statement
		1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	721,308	-
Gratuity held during the period (B)	780,900	721,308
Gratuity paid during the period (C)	-	-
Total Gratuity provision D=(A+B-C)	1,502,208	721,308

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	81,225,618
Adjusted for:	
Depreciation	236,518
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	(8,789,074)
Changes in deferred income	-
Changes in Third party deposits	(2,276,351)
Changes in gratuity provision	(780,900)
Changes in payments received in advance	-
Net cash flow from operating activities	93,308,460

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

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The 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 (Current FY)				
Receivables from exchange transactions				
Receivables from non-exchange transactions	62,797,422	62,797,422		
Bank balances	150,645,888	150,645,888		
Total				
As at 30 June (Previous FY)				
Receivables from exchange transactions				
Receivables from non-exchange transactions	71,586,496	71,586,496		
Bank balances	58,739,568	58,739,568		
Total	343,769,374	343,769,374		

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,502,208	1,502,208
Total	-	-	-	-
As at 30th June (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Deferred income	-	-	-	-
Employee benefit obligation	-	-	1,502,208	1,502,208
Total	-	-	1,502,208	1,502,208

iii) Market risk

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

a) Foreign currency risk

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

b) Interest rate risk

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

Management of interest rate risk

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

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.

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.

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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	Insert Current FY	<i>Opening Statement 1st July 20xx</i>
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash And Cash Equivalents)		
Gearing		

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,152,958.00	3,862,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	206,175,224.00	88,000,000
Total	208,328,182.00	91,862,000

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The Mosop 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	0			0
Buildings and structures	9,864,317			9,864,317
Transport equipment	9,549,457			9,549,457
Office equipment, furniture, and fittings	2,854,250	1,052,000		3,096,250
ICT Equipment and Other ICT Assets	30,000	350,000		380,000
Other Machinery and Equipment	22,144,910			22,144,910
Intangible assets	0			0
Total	44,442,934			45,034,934

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NO	BAR CODE	REGION	COUNTY	CONSTITUENCY	ASSETS DESCRIPTION	ASSETS NO	SERIAL NO.	DATE OF ACQUISITION	PURCHES COST	USER	CURRENT CONDITION
1	NG-CDFB007302	North Rift	Nandi	Mosop	Motor vehicle GKA916U	GKA916 U	Chases no.- AHTFR22G306028980 Engine No. 2KD7968630	27/4/2010	3,502,650.00		Not Working
2	NG-CDFB007317	North Rift	Nandi	Mosop	Motor Grader- (Changlin) PY190H	GKA074Y	Chases No. PY190H Engine No. C3080064036	26/03/2011	21,500,000.00		Not Working
3	NG-CDFB007317	North Rift	Nandi	Mosop	CDF Office	1		No records	No records		Working
4	NG-CDFB007313	North Rift	Nandi	Mosop	Video camera- SONY	CDF	5723261	13/06/2011	29,980.00		Not working
5	NG-CDFB007313	North Rift	Nandi	Mosop	HP Scan jet G2410	CDF	CN155T21RM L2694A-301	1/9/2011	7,500.00		Not working
6	NG-CDFB007310	North Rift	Nandi	Mosop	Reception counter	NG-MOSOP- CDF-S.T.-156- 01-11/16-01		1/11/2016		VIVIAN JEROTICH	Working
7	NG-CDFB007312	North Rift	Nandi	Mosop	Executive Office Chair	NG-MOSOP- CDF-E.C-156- 01-17/18-01	-	23/10/2018	41,000.00	NANCY JEMUTAI	Working

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8	NG-CDFB007321	North Rift	Nandi	Mosop	Executive Office Chair	NG-MOSOP-CDF-E.C-156-01-17/18-02	-	23/10/2018	41,000.00	FANCY CHUMBA	Working
9	NG-CDFB007311	North Rift	Nandi	Mosop	Executive Office Chair	NG-MOSOP-CDF-E.C-156-01-17/18-03	-	23/10/2018	41,000.00	HILLARY KIRWA	Working
10	NG-CDFB007301	North Rift	Nandi	Mosop	Executive Office Chair	NG-MOSOP-CDF-E.C-156-01-17/18-04	-	23/10/2018	41,000.00	HARUN CHEBII	Working
11	NG-CDFB007304	North Rift	Nandi	Mosop	Executive office table	NG-MOSOP-CDF-E.T-156-01-17/18-03	-	23/10/2018	75,000.00	NANCY JEMUTAI	Working
12	NG-CDFB007319	North Rift	Nandi	Mosop	Executive office table	NG-MOSOP-CDF-E.T-156-01-17/18-04	-	23/10/2018	75,000.00	FANCY CHUMBA	Working
13	NG-CDFB007324	North Rift	Nandi	Mosop	Office Cabinet	NG-MOSOP-CDF-C.B-156-01-17/18-07	-	23/10/2018	28,000.00	NANCY JEMUTAI	Working

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14	NG- CDFB007320	North Rift	Nandi	Mosop	Office Cabinet	NG-MOSOP- CDF-C.B-156- 01-17/18-08	-	23/10/2018	28,000.00	NANCY JEMUTAI	Working
15	NG- CDFB007323	North Rift	Nandi	Mosop	Office Cabinet	NG-MOSOP- CDF-C.B-156- 01-11/16-01	-	1/11/2016	28,000.00	NANCY JEMUTAI	Working
16	NG- CDFB007322	North Rift	Nandi	Mosop	Office Cabinet	NG-MOSOP- CDF-C.B-156- 01-11/16-05	-	1/11/2016	28,000.00	LINUS TANUI	Working
17	NG- CDFB007302	North Rift	Nandi	Mosop	Office Cabinet	NG-MOSOP- CDF-C.B-156- 01-11/16-06	-	1/11/2016	28,000.00	VIVIAN JEROTICH	Working
18	NG- CDFB007317	North Rift	Nandi	Mosop	Office Cabinet	NG-MOSOP- CDF-C.B-156- 01-11/16-02	-	1/11/2016	28,000.00	HARUN CHEBII	Working
19	NG- CDFB007314	North Rift	Nandi	Mosop	Office Cabinet large	NG-MOSOP- CDF-C.B-156- 01-11/16-03	-	1/11/2016	50,000.00	HARUN CHEBII	Working

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20	NG-CDFB007325	North Rift	Nandi	Mosop	High Security Fireproof Safe	NG-MOSOP-CDF-F.S-156-01-17/18-01	-	23/10/2018	70,000.00	NANCY JEMUTAI	Working
21	NG-CDFB007305	North Rift	Nandi	Mosop	Desktops 4GB Due Core	NG-MOSOP-CDF-D.T-156-01-17/18-01	CND18M1910 6CM6470LJC	25/10/2018	44,000.00	NANCY JEMUTAI	Working
22	NG-CDFB007314	North Rift	Nandi	Mosop	Desktops 4GB Due Core	NG-MOSOP-CDF-D.T-156-01-17/18-02	CND18M2212 CNC7021B67	25/10/2018	44,000.00	VIVIAN JEROTICH	Working
23	NG-CDFB007316	North Rift	Nandi	Mosop	Laptop Computer Corel 5	NG-MOSOP-CDF-L.T-156-01-17/18-01	5CD6361MBR	25/10/2018	45,000.00	LINUS TANUI	Working
25	NG-CDFB007309	North Rift	Nandi	Mosop	KYOCERA 3 IN ONE PHOTOCOPIER	NG-MOSOP-CDF-UPS-156-01-17/18-01	LBC8450410	25/10/2018	90,000.00	EMMY JEPCHUMBA	Working
26	NG-CDFB007307	North Rift	Nandi	Mosop	UPS Power Supply	NG-MOSOP-CDF-UPS-156-01-17/18-01	180408E1000N00304	25/10/2018	13,000.00	NANCY JEMUTAI	Working
27	NG-CDFB007308	North Rift	Nandi	Mosop	UPS Power Supply	NG-MOSOP-CDF-UPS-156-01-18/19-02		21/12/2018	12,000.00	VIVIAN JEROTICH	Working

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29	NG-CDFB007306	North Rift	Nandi	Mosop	EPSON Printer	NG-MOSOP-CDF-PRINTER-156-01-18/19-01	X4PT024600	21/12/2018	38,000.00	NANCY JEMUTAI	Working
30		North Rift	Nandi	Mosop	Motor vehicle GKB649Z	GKB649Z	Chases no.- AHTFR22G306028980 Engine No. 2KD7968630	27/4/2010	3,502,650.00	EZEKIEL SANG	Working
31		North Rift	Nandi	Mosop	Motorcycle GKB196X	GKB196X	Chases no.- LBKE1359L0068443 Engine No. JYM154FMI19099090	19/10/2020	290,257	LINUS TANUI	Working
32		North Rift	Nandi	Mosop	Laptop Computer Core i7		Hp proBook 450 G10NotebookPC13th Genintel core i7 -1355 U processor 15.6'' FHD 16GB DDR4 SDRAM 512GB Pcle NVMe m.2 value SSD intel Iris Xe Graphics FreeDOS1.2 1 YEAR WARRANTY	12/5/2025	182,000.00	EMMY JEPCHUMBA	Working
33		North Rift	Nandi	Mosop	Laptop Computer Core i7		Hp proBook 450 G10NotebookPC13th Genintel core i7 -1355 U processor 14'' FHD 16GB DDR4 SDRAM 512GB Pcle NVMe m.2 value SSD intel Iris Xe Graphics FreeDOS1.2 1 YEAR WARRANTY,touch screen	12/5/2025	182,000.00	NANCY JEMUTAI	Working
34		North Rift	Nandi	Mosop	Executive Office Chair		-	2nd may 2025	10,000.00	fancy chumba	Working
35		North Rift	Nandi	Mosop	Executive Office Chair		-	2nd may 2025	10,000.00	nimrod maiyo	Working
36		North Rift	Nandi	Mosop	orthopedic chairs		-	2nd may 2025	10,000.00	EMMY JEPCHUMBA	Working
37		North Rift	Nandi	Mosop	orthopedic chairs		-	2nd may 2025	10,000.00	NANCY JEMUTAI	Working
38		North Rift	Nandi	Mosop	orthopedic chairs		-	2nd may 2025	10,000.00	amon kiptarus	Working
39		North Rift	Nandi	Mosop	orthopedic chairs		-	2nd may 2025	10,000.00	HARUN CHEBII	Working
40		North Rift	Nandi	Mosop	Executive office table		-	2nd may 2025	100,000.00	NANCY JEMUTAI	Working

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41		North Rift	Nandi	Mosop	Executive office table		-	2nd may 2025	100,000.00	EMMY JEPCHUMBA	Working
42		North Rift	Nandi	Mosop	Executive office table		-	2nd may 2025	100,000.00	amon kiptarus	Working
43		North Rift	Nandi	Mosop	Executive office table		-	2nd may 2025	100,000.00	charles rutto	Working
44		North Rift	Nandi	Mosop	Executive office table		-	2nd may 2025	100,000.00	nimrod maiyo	Working
45		North Rift	Nandi	Mosop	Executive office table		-	2nd may 2025	100,000.00	HARUN CHEBII	Working
46		North Rift	Nandi	Mosop	10 boardroom chairs			2nd may 2025	500,000.00		Working

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

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 st July 20xx
BANK	BANK	ACCOUNT NO	BALANCE AS AT 30TH JUNE 2025	BALANCE AS AT 1ST JULY 2024
A.I.C Laboret Girls	Cooperative	01139441399800	58,860.00	45,367.00
A.C.K Chepkoiyo Mission	Cooperative	01141958859200	8,157.00	4,157.00
A.C.K Holy Trinity Tuiyobei Primary	Cooperative	0114195847200	9,730.00	62,974.00
A.C.K Kabose Primary School	Cooperative	01139328464200	620.00	620.00
A.C.K Kapnganio Sec School	Cooperative	01139435264400	300,000	-
A.C.K Kimogoch Primary School	Cooperative	01141722122400	1,761.00	1,761.00
A.C.K St Mathews Kormaet Sec	Cooperative	01139441350100	203,950.63	3,065.00
A.C.K St Mathews Kormaet Sec	Cooperative	01139435264400	300,000	-
A.C.K St. Lukes Kapngombe Secondary School	National Bank	1025031399600	1,820.00	1,820.00
A.I.C Chepkemel Secondary School	Sidian	01008030014848	10,651.00	5,766.00
A.I.C Cheptuiyet Primary School	Cooperative	01141958853300	2,977.70	56,748.00
A.I.C Kaigat Primary School	Cooperative	01141958014200	27,756.00	105,756.00
A.I.C Kaigat Primary School	Family	085000123738	84,023.20	-
A.I.C Kaigat Sec School	Cooperative	01139441372000	133,742.88	31,750.00
A.I.C Kamanyinya Primary	Cooperative	01141674671300	1,600.00	3,200.00
A.I.C Kamboga Primary	Family	097000042137	122,080.00	-
A.I.C Kapkenyelo Primary School	National Bank	01024073345601	2,373.45	2,373.45

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A.I.C Kaptich Primary	Family	097000041980	292,956.00	-
A.I.C Kaptich Primary	Sidian	01008030015208	92,094.00	67,859.00
A.I.C Kimong Secondary School	Cooperative	01139441332000	109,375.30	167,974.30
A.I.C Lolkeringet Primary School	Cooperative	01141442995500	28,389.50	25,389.50
A.I.C Moi Kabiemit Secondary School	National Bank	1025073317700	1,345.00	1,345.00
All Saints Kamoiyo Preparatory Primary School	Cooperative	01139184867100	67,083.00	208,583.00
All Saints Kebulonik Primary	Family	097000043375	753,478.80	-
Aron Moiben Secondary School	Cooperative	01141328929100	167,872.00	41,700.00
Aron Moiben Secondary School	National Bank	01024073345601	417,000.00	
Bishop Muge Kamogiywo Primary	Cooperative	01139185714600	110,960.00	1,180.00
Bishop Muge Kamogiywo Primary	National Bank	1025073317700	300,000	-
Cheloiyo Primary	Family	097000042844	1,042,760.00	-
Cheloiyo Primary	National Bank	1024028560702	1,042,260.00	-
Chemnoet Primary School	National Bank	102427598601	129,671.00	0.00
Chepkemel Primary School	National Bank	1024028560701	71,004.50	5,150.00
Chepkiep Primary School	National Bank	01024055688901	1,415.40	1,415.40
Chepkoiyo Mission Primary School	Cooperative	01141958859200	4,240.00	82,240.00
Chepngabai Primary	Cooperative	01141722125700	1,500,125.00	7,568.00
Chepngabai Primary	Cooperative	01139440671100	1,500,000.00	-
Chepsaita Primary School	National Bank	102428325901	5,700.00	5,700.00
Cheptil Primary School	Cooperative	01141046480700	1,565.00	47,580.00
Cheptil Secondary School	National Bank	2527623401	215,394.56	0.00
Cheptonon Primary	Cooperative	01139440671100	2,157,807.00	-
Cheptonon Primary School	National Bank	1024028327601	430.00	430.00

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Cheptonon Primary School	National Bank	10240228327601	430	430
Chepyewet Primary School	National Bank	1024018714700	834.00	834.00
Kabiemit Primary School	National Bank	1024027718501	156,988	1,307
Kabiyet Dcc Project	Cooperative	01141810033100	711.50	42,747.50
Kabiyet Law Courts	Cooperative	01134328642300	2,000,000.00	-
Kabiyet Township Primary School	Cooperative	01139440671100	38,496.99	340.00
Kabose Primary School	Family	09700041886	1,073.00	100.00
Kamulat Primary	Cooperative	01141672687200	93,321.50	93,321.50
Kamulat Primary	Cooperative	011339441000100	300,000	-
Kamungei Police Post	Cooperative	01134328642300	4,780.70	204,033.70
Kamungei Primary School	Cooperative	01139440132100	518,728.80	125,903.80
Kapchebosei Primary School	Kcb	1133731058	523,645.00	11,837.00
Kapgakaron Primary	Cooperative	01141672075800	300,000	-
Kapkatet Chiefs Office	Cooperative	01141442931500	509,047.50	9,047.50
Kapkawa Baptist Primary School	Cooperative	01139440091000	102,004.50	4,479.50
Kapkechui Primary	Cooperative	01139440844800	102,004.50	4,479.50
Kapkeringon Primary School	National Bank	01024027741501	39,604.00	39,604.00
Kapkoimur Primary School	Cooperative	01139441322900	11,010.00	88,960.00
Kapkoimur Secondary School	Cooperative	01139046818301	37,574.00	223,774.00
Kaplemur Primary School	National Bank	102427743901	68,132.00	764,419.00
Kapsabaot Primary Shool	National Bank	12428355901	5,934.05	5,934.05
Kapserton Primary School	Cooperative	01139441395700	27,373.38	27,373.38
Kebulonik Primary	Cooperative	011339441000100	155,460.00	61,762.00
Kebulwet Primary School	National Bank	01024064770200	11,421.01	9,850.00
Ketam Primary	Sidian	01008030009763	27,301.57	27,301.57
Ketam Primary			2,600,000.00	-

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Kimngoror Chiefs Office	Cooperative	01141672075800	1,946.00	455.00
Kimong Primary School	Cooperative	01141674644800	265,751.55	5,674.00
Kiptangus Primary	Family	097000042013	19,961.40	-
Koiban Secondary School	Cooperative	01139185723000	115,095.00	115,095.00
Koitalel Samoei High School	Cooperative	01139329048600	386,027.00	426,583.00
Koromo Primary School	Family	097000042011	6,230.40	-
Kurgung Acc Office	Cooperative	01141958268000	115,095.00	115,095.00
Kurgung Boys High School	Cooperative	01139326634100	1,585,597.00	
Lelaipei Primary School	Family	097000042133	95,808.00	-
Lelechwet Primary School	Kcb	1257485261	300,000	-
Ndalat Chief Office	Cooperative	01100275256001	5,342.00	7,658.00
Ndalat Gaa Girls Secondary School	Cooperative	01141443952800	4,000,000.00	
Ndalat Gaa Girls Secondary School	Cooperative	011000096441001	4,000,000.00	-
Ndalat Gaa Primary School	Family	085000123716	226,194.80	-
Ndalat Primary School	National Bank	102428053502	38,355.45	38,355.45
Ndalat Primary School	National Bank	1024028053502	38,355.45	38,355.45
Ngoromosho Primary School	Kcb	1122494009	833,671.30	31,235.30
Nyigoon Primary School	National Bank	1024028448200	30,072.00	30,072.00
Samutet Primary School	Cooperative	01141443952800	37,092.10	37,092.10
Sangalo Chiefs Office	Cooperative	011000096441001	31,614.00	41,700.00
Sangalo Primary School	Cooperative	01139326634100	1,664.00	1,664.00
S.D.A Kagarwo Primary School	Family	097000042104	1,592.40	-
S.D.A Koilel Primary School	Family	085000123854	353,909.76	-
S.D.A Kolonget Primaryschool	Cooperative	01139609903200	151,344.00	4,520.00

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S.D.A Kurgung Girls Secondary School	Kcb	1257485261	264,334.70	417,000.00
S.D.A Panama Primary School	Kcb	1205812792	163,569.00	63,518.00
S.D.A Tiriin Primary	Cooperative	01139326247201	101,559.00	301,459.00
Segemik Primary School	Cooperative	01139328658700	64,947.50	61,947.00
Sigot Secondary School	National Bank	01021028198100	3,142.50	3,142.50
Soimining Chiefs Office	Family	097000041384	157,697.00	67,589.00
St Allamano Ngenyilel Primary	Cooperative	011000096441001	1,000,000.00	-
St Brigitta Kipkaren Primary School	Cooperative	01141443687000	338,921.00	314,893.00
St Dorcas Special School	Family	097000040684	23,185.00	498,460.00
St James Ngoroin Primary	Family	097000042104	1,300,000.00	-
St John Paul li Chepterwai Girls Sec School	Family	085000123854	414,000.00	
St John Paul li Cheramei Primary	Cooperative	01139329336300	1,745.00	1,745.00
St John Paul li Cheramei Primary	Kcb	1257485876	2,600,000.00	-
St Mark Chesaram Primary School	Cooperative	01141722010600	911.00	911.00
St Patricks Chepnwet Sec School	Cooperative	01139441368400	6,344.00	200,744.00
St Peters Birei Primary	Cooperative	01139328937300	104,868.50	30,018.50
St Peters Birei Primary	National Bank	01024173359800	2,600,000.00	-
St Peters Birei Primary School	Cooperative	01141957134300	210,000.00	-
St Peters Kamasai Sec School	Cooperative	01141610150100	63,377.50	55,509.50

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St Peters Kamasai Sec School	Cooperative	01139185747000	300,000	-
St Peters Kapsean Primary School	Family	097000041977	68,523.00	-
St. Alamano Ngenyilel Primary Sch.	National Bank	1024121445900	6,260.60	53,700.00
St. Francis Katanin Primary School	National Bank	102428219701	270,092.50	9,450.00
St. Joseph Elite Primary School	National Bank	01024173359800	50,234.00	-
St. Monicah Kapkoros Secondary	Cooperative	01141957134300	22,634.00	208,634.00
St. Joseph Elite Primary School	Family	097000042050	211,501.80	-
Surungai Primary School	National Bank	102455685301	36,907.65	36,907.65
Tabolwa Secondary School	National Bank	1025029601903	21,181.00	21,181.00
Tangaratwet Primary School	Cooperative	01139185747000	111,778.80	111,778.80
Tegeiyat Primary School	Family	085000123783	199,366.40	198,855.60
Tegeiyat Primary School	National Bank	1024064859100	116,559.90	5,242.90
Teresia Boarding Primary	National Bank	102455685301	600,000.00	
Teresia Boarding Primary School	National Bank	1024028485102	62,834.70	62,834.70
Tuktuk Primary	Cooperative	01141443724200	58,618.50	11,046.00
Tulwo Girls Secondary School	Cooperative	0141672592100	92,312.50	530,999.00
Total			43,207,030.58	6,898,431.10

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. unsupported Cash and Cash Equivalents	<p>The statement of assets and liabilities reflects bank balances of Kshs.51,234,486 which includes Kshs.47,801,386 in the family bank account as disclosed in Note 11A to the financial statements. However, there were unrepresented cheques of Kshs.422,176 disclosed in the bank reconciliations statement for 30 June, 2024 in respect of the family bank account which included stale cheques of Kshs.7,175. Further, there were payments of Kshs.2,900,250 in the bank statements not in the cash book as disclosed in the bank reconciliation statement which were however, not supported by expenditure records and payment vouchers.</p> <p>In the circumstances, the accuracy of cash and cash equivalent balance Kshs.51,234,486 could not be confirmed to be true and fairly stated.</p>	<p>As earlier stated, the un presented cheques included bursary cheques that have been disbursed to schools but the institutions have not deposited the cheque. The stale cheque have been re-written back to the cashbook.</p> <p>The payments in bank statement not recorded in cash book dates back to 2015-2016 financial years. The payments have since remained as</p>	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		reconciling items since the then office holders are yet to adequately respond to the raised issues. The matter is currently been handled by the NG-CDF Board and national treasury.		
Unsup-ported Project Manag-ement Comm-ittee (PMC) Bank Balanc-es	<p>Note 19.4 to the financial statements and as disclosed in Annex 5 reflects Project Management Committee (PMC) bank balances of Kshs.6,898,439 in respect to one hundred and thirty-two (132) bank accounts held in five commercial banks. However, cash books, bank reconciliation statements, certificate of bank balance and bank statements for all bank accounts were not provided for audit.</p> <p>In the circumstances, the accuracy, completeness and existence of PMC bank balances amount of Kshs.6,898,439 could not be confirmed.</p>	<p>NG-CDF Act 2015 sections 38 provided that project under the act will be implemented by the PMC. Therefore projects under the fund are implemented by PMC who are responsible to preparation of books of accounts. The said books of accounts are readily available at the PMCs level. PMC Bank</p>	resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		statements are available for review.		
Budget Performance and Control.	<p>The summary statement of appropriation reflects final receipts budget and actual on a comparable basis amount of Kshs.323,897,571 and Kshs.252,311,075 respectively, resulting to an under-funding of Kshs.71,586,495 or 23% of the budget. However, the Fund spent Kshs.201,076,590 against actual receipts of Kshs.252,311,075 resulting to underutilization of Kshs.51,234,485 or 20% of actual receipts.</p> <p>The under-funding and underutilization affected the planned activities and may have impacted negatively on service delivery to the public.</p>	Funds were disbursed by the NGCDF Board at the tail end of the financial year hence under expenditure. The funds have since been disbursed to the PMC accounts and implementation of projects ongoing.	Not resolved	
Unresolved Prior Year Audit Matters	In the audit report of the previous year, several paragraphs were raised under the Report on the Financial Statements, the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Even though Management has provided explanation on the progress made on the recommendations made by the auditors, the issues have remained unresolved as the relevant Parliamentary committee had not discussed them.	Indeed there are a few unresolved prior year Audit matter that are yet to be cleared, However, plans are under way for the Decentralized Funds Accounts Committee of	resolved	

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		parliament to review the various audit reports with the view of clearing the outstanding issues.		
1. Delayed Implementation of Projects	The statement of receipts and payments reflects other payments balance of Kshs.5,073,080 which includes Kshs.5,000,000 that was allocated for the purchase of transformers from Rural Electrification and Renewable Energy Corporation (REREC) as disclosed in note 10 to the financial statements. The transformers were to be installed in fourteen (14) primary schools and one (1) secondary school. However, a physical verification of the project revealed that none of the Schools had received the transformers at the time of the audit despite the full payment being made to the contractor. In the circumstances, value for money could not be confirmed.	The project is at design and survey stage by Rural Electrification and Renewable Energy Corporation (REREC). The Mosop NGCDFC will keep on following the process until the identified projects are fully implemented as planned.	Not resolved	
2. Unported Emergency	The statement of receipts and payments reflects other grants and transfers balance of Kshs.89,902,234 which includes emergency projects payments of Kshs.10,100,000 as disclosed in note 8 to the financial statements. However, there was no evidence provided to show that the nature of the projects met the	As earlier stated in our response to the Management letter, Emergency disbursement is reported monthly through	resolved	

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Projects	emergency criteria. Further, there was no evidence to indicate that the Constituency Committee reported to the Board within thirty days of occurrence of emergency in respect to utilization of Kshs.4,106,488 in emergencies during the year in accordance to Regulation, 20(2) of National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board	monthly expenditure returns. The NGCDFC will put mechanisms to report Emergency cases to NGCDF Board within the stipulated timeline.		



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