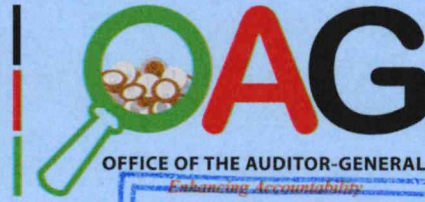


REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KITUTU CHACHE SOUTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KITUTU CHACHE SOUTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Kitutu Chache South 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	Edwin Kimutai Rutto
2.	National Sub-County Accountant	John Obonsi
3.	Chairman NGCDFC	Alphonse Onsongo (Operations Bank Account)
4.	Member NGCDFC	Walter Kiyondi (Operations Bank Account)
5.	Member NG CDFC	Perez Onyango (Deposit Bank Account)
6.	Member NG CDFC	Pius Abuki Mosima (Deposit Bank Account)

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kitutu Chache South 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 Kitutu Chache South Constituency Headquarters

NG-CDF Building - Mosochi
Next to Mosochi Police Station,
KISII KENYA

(e) NGCDF Kitutu Chache South Constituency Contacts

P.O. Box 2223 – 40200,
KISII
Telephone: (254) 720140374
E-mail: cdffkitutuchachesouth@ngcdf.go.ke
Website: ngcdf.go.ke

(f) NGCDF Kitutu Chache South Constituency Bankers

1. Operations Account
Family Bank
Kisii Branch
A/c No. 027000056315
P.O. Box 1094 – 40100,
KISII

2. Deposit account
Family Bank
Kisii Branch
A/c No. 027000071242
P.O. Box 1094 – 40100,
KISII

3. Project Management Committees Accounts
Co-operative Bank
Kisii Branch
P.O. Box 2469 – 40200
KISII




(g) Independent Auditor

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

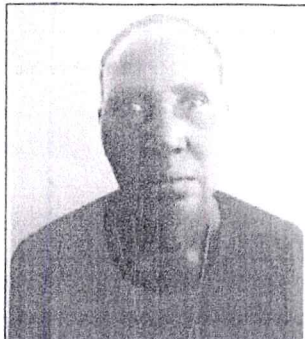
(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
 <p>Onsongo Omae Alphonse Chairperson</p>	<p>He was born on 22/11/1988. He is a holder of Bachelor of Commerce (Accounting). He has a wide work experience having worked at Musoni Micro finance, One Acre fund, Kenya Bureau of Statistics, IEBC among others. He was first gazetted and joined Kitutu Chache South NGCDF committee as the Male Youth Representative in December 2022. In his second gazettement, he is the Male Adult representative. He is the current chairperson of the Kitutu Chache South NGCDFC and has served in that capacity for over two years.</p>
 <p>Walter Nyakundi Kiyondi Secretary</p>	<p>He was born on 1st November 1981. He is a Diploma holder and also is a Certified International Mediator. He is a technician and businessman. He was first gazetted and joined Kitutu Chache South NGCDF committee as the Male Adult Representative in December 2022 a position he holds to date. He is the current secretary of the Kitutu Chache South NGCDFC and has served in that capacity for over two years.</p>
 <p>Brian Guto Ogoro Member</p>	<p>He was born on 22nd July 2000. He is an undergraduate International Relations (Public relations & Communication). He was gazetted and joined Kitutu Chache South NGCDF committee as the Male Youth Representative on 21st May 2025.</p>

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Perez Anyango Aomo
Member

She was born in 1969. She is a small scale farmer. She was first gazetted and joined Kitutu Chache South NGCDFC in December 2022 as the Female Adult Representative. She has served in that capacity for over two years. She has thirty years experience in community service.



Alice Kemunto Moogi
Member

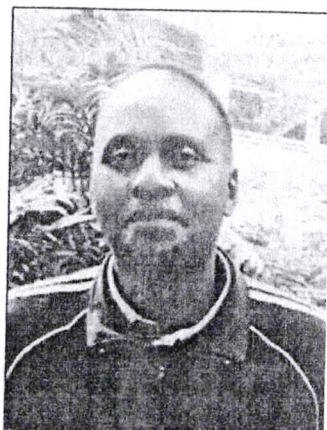
She was born in 1966. She is a KCSE certificate holder. She engages in Agribusiness. She has over twenty years experience in community service. She was gazetted and joined Kitutu Chache South NGCDF committee as the Female Adult Representative on 21st May 2025.



Nancy Gesare Nyamweya
Member

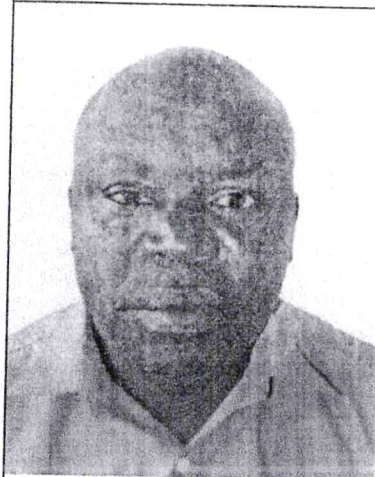
She was born on 1st January 1990. She is a KCSE certificate holder. She is a small scale business lady. She was first gazetted and joined Kitutu Chache South NGCDFC as the Female Youth Representative in December 2022. She has served in that capacity for two years to date.

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Julius Reuben Maobe
Member

He was born on 01/01/1982. He is an agribusiness entrepreneur.
 He was first gazetted and joined Kitutu Chache South NGCDFC as a representative of Persons Living with Disability in December 2022. He has served in that capacity for two years to date.



Pius Abuki Mosima
Member

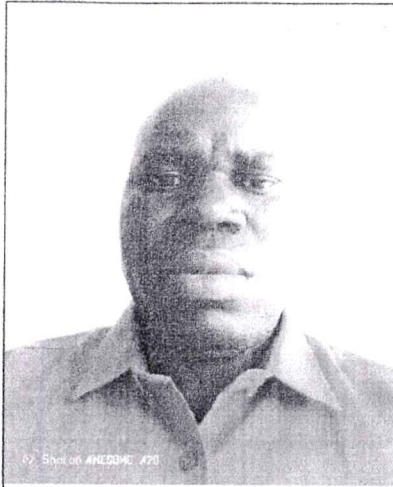
He was born on 01/01/1967. He is a O-Level certificate holder. He is a businessman.
 He was first gazetted and joined Kitutu Chache South NGCDFC as an Adult Male representative in December 2022. He served in that capacity for two years.
 On 21st May 2025 he was gazetted to be a co-opted member of the committee.



Edwin Kimutai Rutto
Fund Account Manager

Mr. Edwin Kimutai Rutto was born on 24th June 1980. He has a postgraduate qualification in Master of Business Administration (Accounting Option), Bachelor's degree in Economics and Mathematics and a Certified Public Accountant (CPA).
 He is currently a Fund Account Manager Kitutu Chache South and an Ex-official member in NG-CDFC Committee. He has a vast experience in NG-CDF matters having worked as Field Operations Officer for over seventeen years.

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Juma E. Walela
Deputy County Commissioner

Mr. Juma E. Walela was born on 13th February 1980. He has a Bachelors of Education (Arts) Degree. He is the Current Deputy County Commissioner Kitutu Central Sub County. He has rose through the ranks from Asssistant County Commissioner to Deputy County Commissioner Position He has over seventeen years in Public Administration. He is the representative of National Government in the NG-CDF Committee by virtue of his administrative position.

The following members exited NG-CDF Committee membership during the financial year

- 1) Innocent Matara Maragia from December 2022 to 20th May 2025
- 2) Symphrosia Ongiri from December 2022 to 20th May 2025

4. NG-CDFC Chairman's Report



Onsongo Alphonse Omae

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

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

We have had notable success in implementation of projects especially those that transform lives of our community in the constituency in areas such as Education, security, climate change mitigation and bursary awards to needy students within Kitutu Chache South constituency. In the current financial year, Kitutu Chache South NG-CDF had a total budget allocation of Ksh. 174,441,954.70. In total, the constituency received the NG-CDF received a total of Ksh.

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182,740,058 of which Ksh. 128,000,000 relates to the just ended financial year 2024-2025 whereas the remaining Ksh. 54,740,058 was from the previous financial year 2023-2024.

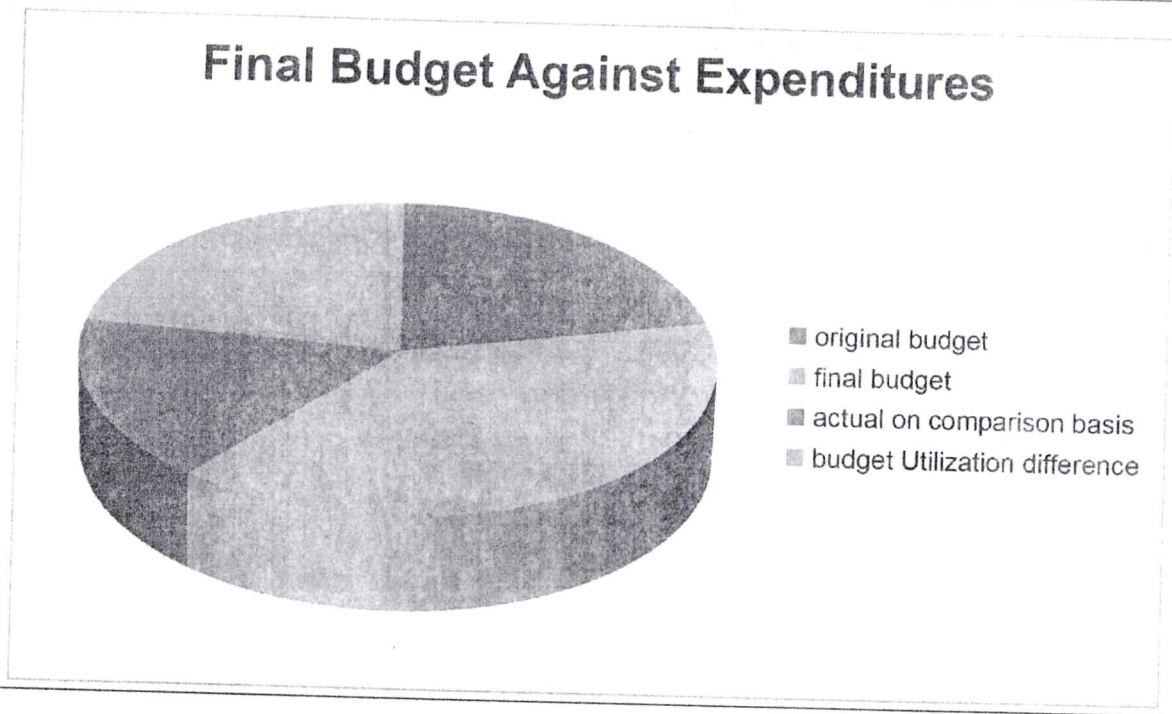
Although there was a delay in receiving the 2024-2025 funds whereby the initial disbursement of Ksh. 23,000,000 was received towards the end of second half of the financial year, the Board disbursed funds such that at the end of the financial year the constituency had received over 75% of the constituency allocation. This was remarkable given the current county's economic situation. Over half of the allocation was used in bursary awards, which we had allocated Ksh. 60,000,000. A few projects were also implemented using the funds, notably being; Fencing of school compounds in several schools, construction and equipping of classrooms in schools among others. The projects are now 100% complete. Further through the fund, Kitutu Chache South NG-CDF has ensured partitioning of Deputy County Commissioner's Offices at Nyanchwa Sub County Headquarters to accommodate Teachers Service Commission Staff. There has been improvement in the environmental activities that has enhanced climate change mitigation through planting of trees in several schools.

Although Kitutu Chache South has many success stories on NG-CDF, it has also faced challenges. They include delay in disbursement of funds from the CDF Board as stated above, low capacity to implement projects by the Project Management Committees. There is need for training. The allocation by the NG-CDF Board is also not sufficient to fund all demands in the constituency. If these funds are increased a little it can boost development further.

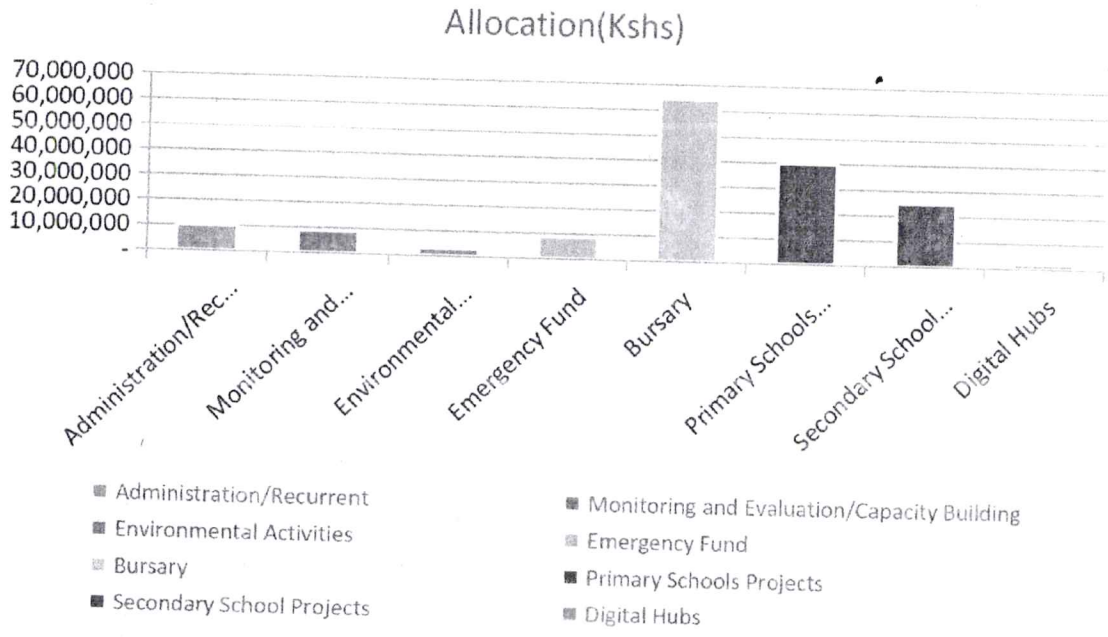
The following are graphical presentations depict constituency performance during the year.

a. Pie chart showing utilization difference against total budget.

Original Budget	170,509,857
Final Budget	286,112,023
Actual on Comparable Basis	170,215,127
Budget Utilization Difference	115,896,895



b. Bar chart showing allocation of Funds to various Sectors during the financial year.



From the above analysis the performance of Kitutu Chache South NG-CDF has been commendable given the circumstances and this was because of teamwork among the NG-CDFC and other stakeholders.

National Government Constituencies Development Fund (NGCDF)
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The construction of storied classrooms reduced the pressure that the various schools were facing due introduction of Competence Based Curriculum (CBC) which domiciled junior secondary school to the existing primary schools

Bursaries issued to students across the constituency enabled the needy students to learn without interruptions

Summary of constituency expenditure during the year:

Vote head	Final Budget	Actual Expenditure
Employee costs	4,476,129	3,193,254
Committee expenses	5,391,276	5,115,517
Use of Goods and Services	8,331,479	7,948,322
Other Government Units Certified Works	191,275,168	58,213,028
Other Grants and Transfers	79,702,362	71,663,483
Acquisition of Assets	5,672,322	-
Digital Hubs	4,855,632	-
Other Payments	50,000	-
Funds Pending Approval**	25,302,300	-
Total Expenditure	325,056,669	146,133,603

From the above table, the constituency's total budget for the year was Kshs. 325,056,669. This was the constituency allocation for the year. The constituency also had pending balance from the board of Kshs. 57,434,043 and opening cashbook balance of Kshs. 81,256,332 totaling to Kshs. 270,614,714. During the year the constituency spent Kshs. 146,133,603.

KEY ACHIEVEMENTS

The following are some of the key projects that have been undertaken.

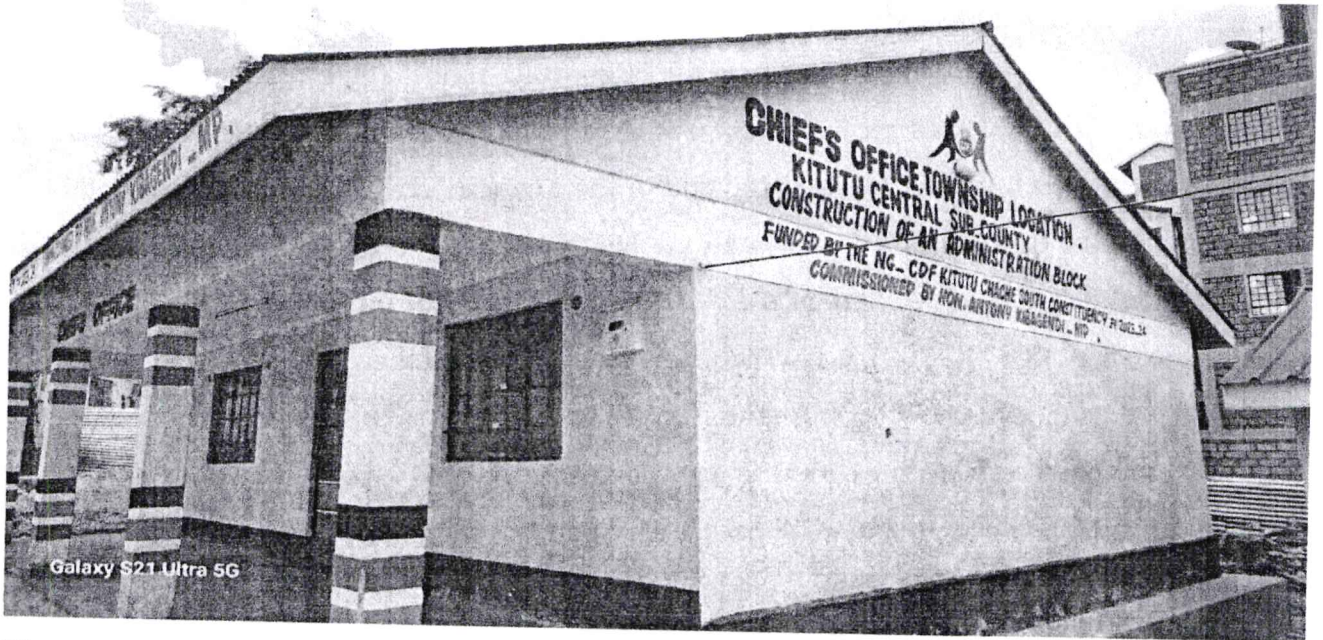


Figure 1: Township Location Chief's Office; Construction of an administration block



Figure 2: Ong'icha Primary School water project

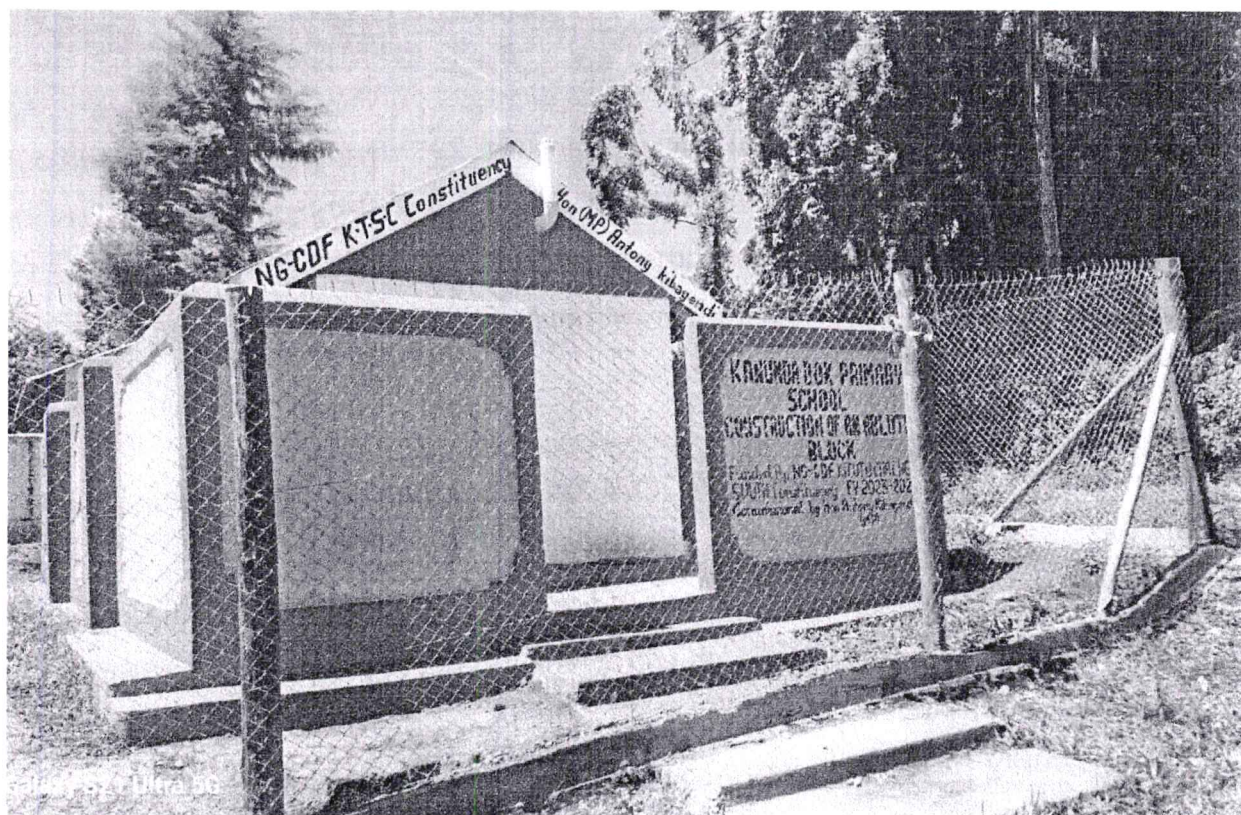


Figure 3: Kanunda Primary School; Fencing of compound and construction of ablution block.

Emerging issues

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

1. Restructuring of the Education Funding

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

2. Junior Secondary School

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

3. Inflation Rates

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

Challenges and solutions

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

The impact of the NG-CDF kitty has been felt in the constituency, and we hope and pray that the fund lives longer and longer to impact positively more and more lives in Kenya.

Way forward

As we appreciate the continued support from the National Government in making slight additions to the kitty, we however regrettably wish to say that it's not enough to assist the constituency make the rapidly anticipated challenge of providing proper infrastructure for the

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education sector and security organs. The National Government should seriously consider the re-introduction of the poverty index scheme for the distribution of the national cake.

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

Alphonse

.....

Alphonse Onsongo
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY 2022/2025

Introduction

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

The key development objectives of the *NGCDF Kitutu Chache South Constituency 2022-2027* plan are to:

1. Improve education outcomes at all levels of learning in Kitutu Chache South Constituency
2. Empower Youth and women through entrepreneurship and talent development in Kitutu Chache South Constituency
3. Enhance Security for Constituents through multi-stakeholders and pronged approaches in Kitutu Chache South Constituency
4. Improve environmental Quality and reduce disaster risk in Kitutu Chache South Constituency
5. Improve operational efficiency and effectiveness within the 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	Increased enrolment in primary schools and	number of usable physical infrastructure	In FY 2024/25 -we increased number of classrooms by 17 all in Primary schools,

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	school	improved transition to secondary schools and tertiary institutions	build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	Renovated Workshops in two Secondary School and 2 computers labs in secondary school - Bursary beneficiaries at all levels. Over 9,000 students in secondary school and over 5,000 in tertiary colleges were awarded bursary.
Security	To improve security in the Constituency	Improved security in the constituency	Number of usable security facilities.	In 2024/2025 two additional administrative/security offices were built /renovated during the year and renovation of Kitutu Central Deputy County Commissioners Office.
Environment	To prevent environmental degradation in the Constituency	Green and sustainable environment	Number of environmental projects constructed during the year	Climate change projects were in implemented in the constituency. The constituency planted trees in 13 schools.
Emergency	To Mitigate emergency issues arising in the constituency	To address the emergency arising in the constituency	Number of emergencies addressed	The constituency reconstructed 5 collapsed toilets in 7 primary schools and 1 secondary schools. Further renovation of 2 classrooms was done in 2 schools to address emergency

6. Governance Statement

Background

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency.

Further, Section 5 (1) of the regulation states that the members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

The officer of the board coordinated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

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

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is be the secretary of the selection panel

Further the NG CDF regulations requires that for one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

a. NG-CDFC process of appointment

The NGCDF Act 2016 on appointment of NGCDFC members' states;

(1) The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under

paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee.
Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

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(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette. 1952 Kenya Subsidiary Legislation, 2016

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in churches, public offices notice boards and other public areas in the constituency. The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed from Kitutu Chache South Constituency Office as per section 43 of the NG-CDF Act, 2015.

Five best NG-CDF applicants were selected taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act

S/N	Name	Category representation	Ward
1.	Alphonse Omae Onsongo	Male (Adult)	Nyatieko
2.	Walter Nyakundi Kiyondi	Male (Adult)	Kitutu Central
3.	Perez Onyango Aomo	Female (Adult)	Bogusero
4.	Nancy Gesare Nyamweya	Female (Youth)	Kitutu Central
5.	Alice Kemunto Moogi	Female (Adult)	Bogeka
6.	Brian Guto Ogoro	Male (Youth)	Nyakoe

Nominee of the person representing persons with disability

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	Julius Reuben Maobe	National Council Of People Living With Disability	Limping	Nyatieko

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

S/N	Name	Gender	Ward
1.	Pius Mosima Abuki	Male	Kitutu Central

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The list of the selected and recommended members was forwarded to the NG_CDF Board and were further gazetted through a gazette notice dated 21st May, 2025.

The Kitutu Chache South NG_CDFC Members were gazetted as follows

<i>S/N</i>	<i>Name</i>	<i>Category</i>	<i>Statutory Provision Under NG-CDF Act</i>
1.	Alphonse Omae Onsongo	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
2.	Walter Nyakundi Kiyondi	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
3.	Nancy Gesare Nyamweya	Female Youth Representative	Appointment, pursuant to Sec. 43 (2) (c)
4.	Perez Onyango Aomo	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c)
5.	Julius Reuben Maobe	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)
6.	Brian Guto Ogoro	Male Youth Representative	Appointment Pursuant to Sect. 43 (2)(e)
7.	Alice Kemunto Moogi	Female Adult Representative	Appointment Pursuant to Sect. 43 (2)(e)

The First NG-CDFC in augural meeting was held on 28th June, 2025. The members carried out an election for the position of a chairperson and the secretary of the committee. The following member were elected.

<i>S/N</i>	<i>NAME</i>	<i>POSITION</i>	<i>WARD</i>
1	Alphonse Omae Onsongo	Chairperson	Nyatieko
2	Walter Nyakundi Kiyondi	Secretary	Kitutu Central

NG-CDF Regulations Section 7(6) & (7) requires that the first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board and in establishing sub-committees. Under paragraph 5, constituency Committee shall ensure that there is equitable representation.

The Committees were constituted as follows;

1. Bursary Sub-committee

S/N	NAME	POSITION
1.	Sub-County Director of Education	Chairperson
2.	Edwin Kimutai	Secretary
3.	Walter Kiyondi	Member
4.	Periz Aomo	Member
5.	Brian Ogoro	Member

2. Complaint Handling & Resolution Sub-Committee

S/N	NAME	POSITION
1.	Pius Mosima	Chairperson
2.	Edwin Kimutai	Secretary
3.	Alice Kemunto	Member
4.	Nancy Gesare	Member
5.	Julius Maobe	Member

b. NG-CDFC Tenure

The term of office for the members of the Constituency Committee is a period of two (2) years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the NG-CDF Act 2015. The current committee was gazetted in The Kenya Gazette notice no. 6462 dated 21 May 2025 with effect from 25th April, 2025 to 31st March 2027.

c. The Role of the Constituency Committee

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.

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

d. Removal of a member

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

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

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

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Handing Over

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was carried out smoothly and successfully on 28^h June, 2025.

e. NG-CDFC Induction and training

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

f. Number of meetings

Schedule of meetings held during FY 2024/2025

S. No	Name of committee member	09/07/2024	19/07/2024	30/08/2024	17/08/2024	12/09/2024	22/09/2024	10/10/2024	09/11/2024	21/11/2024	19/12/2025	20/01/2025	13/02/2025	12/02/2025	18/03/2025	18/04/2025	29/04/2025	27/05/2025	25/05/2025	21/06/2025
1	Alphonse Omae - Chairperson	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
2	Walter Nyakundi Kiyondi - Secretary	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
3	Edwin Kimutai - Fund Account Manager	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
4	Nancy Gesare Nyamweya - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
5	Perez Onyango Aomo - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
6	Julius Reuben Maobe - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
7	Pius Abuki Mosima - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
8	Juma E. Walela - DCC	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
9	Brian Guto Ogoro - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
10	Alice Kemunto Moogi - Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

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

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

h. Disclose the policy on conflict of interest

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

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 of the act and other law, policy regulations that govern operations of NG-CDF.

k. Risk Management

Risk management has been integrated in the constituency operations through the following: training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations. Embracing the Enterprise Risk Management system and attesting to monthly, quarterly bi-annually and annually compliance and key risk indicators questions, implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification

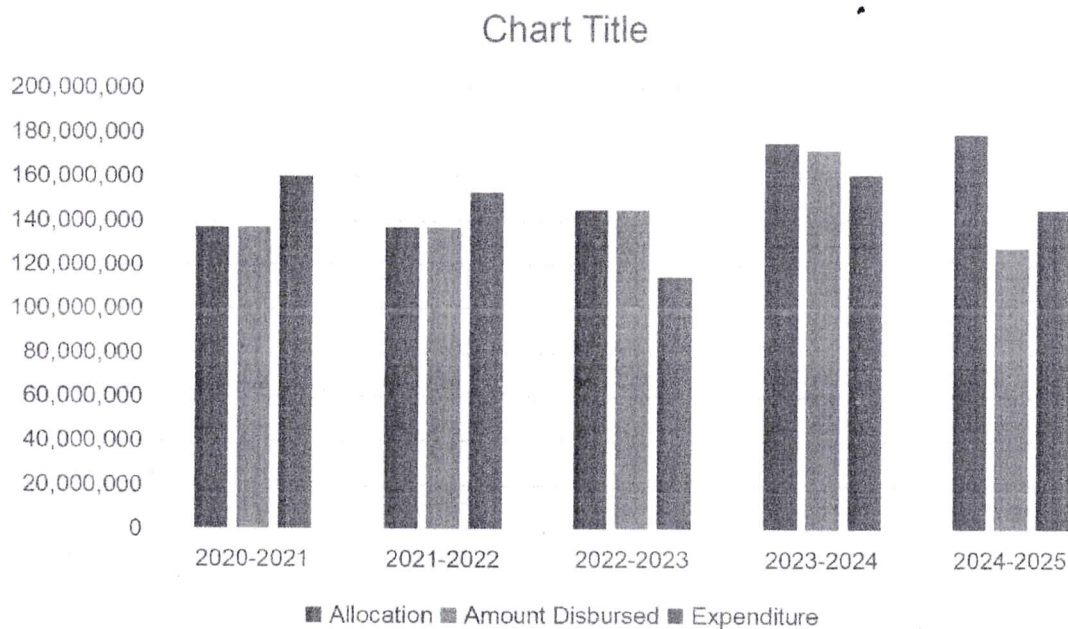
7. Management Discussion and Analysis

Kitutu Chache South NG-CDF management would like to provide a detailed analysis of its performance in the various areas of operation and financial as follows.

a) Sector Performance

Kitutu Chache South NG-CDF has been operational since 2003 but would provide financial analysis for the past five years on how much the entity has received and spend in the various critical sectors being Education and Security.

Financial Year	Allocation	Amount Disbursed	Expenditure
2020-2021	137,088,897	137,088,897	160,133,603
2021-2022	137,088,879	137,088,879	152,948,451
2022-2023	145,087,603	145,087,603	114,522,358
2023-2024	175,361,810	172,361,810	160,928,745
2024-2025	179,441,954	128,000,000	145,228,189
	774,069,143	591,755,189	733,761,346



From the above data, Kitutu Chache South NG-CDF has been able to receive a total of Ksh **774,069,143** as at 30.06.2025 for the last five financial years. The resources has been utilized to

improve the various sectors in terms of infrastructure and provision of bursaries to needy students in secondary and tertiary institutions.

The below table further illustrates the expenditure performance of NG-CDF in the past two years;

Financial Year	Sector	Budget	Expenditure
2024-2025	Education-Projects & Bursary	121,020,000	73,891,834
	Security Projects	2,000,000	1,500,000
2023-2024	Education-Projects& Bursary	145,616,938	45,371,400
	Security Projects	16,504,885	8,850,000
	Total	285,141,823	129,613,234

Sector	Sector Budget	Percentage
Education	266,636,938	94%
Security	18,504,885	6%
	285,141,823	

Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of 96% of the constituency annual budget and secondly the security sector with average of 4%. This is an indicator that the Fund has put more efforts in improving the academic standards of Kitutu Chache South constituency through both the infrastructure and bursaries to needy students studying in various institutions.

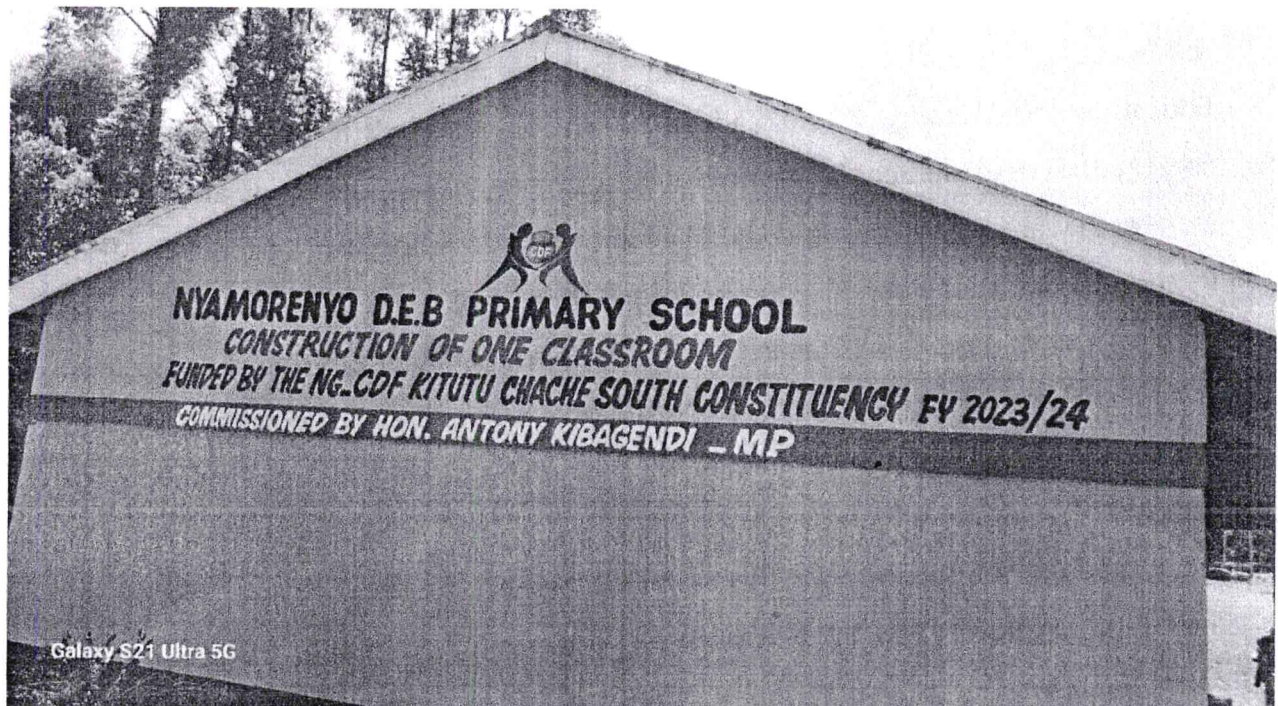
Further from the above analysis, it is important to note that the Fund has been able to serve the rural communities and be able to improve on the living standards of the people, poverty eradication being one of its key objectives. The management advocates more resource allocation to further improve on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

b) Key Projects

Kitutu Chache South NG-CDF has been able to undertake key projects that will go into improving the infrastructure standards and providing opportunities to the residents of Kitutu Chache South. For instance, construction of the proposed, drilling of borehole at Kiamwasi Technical Training Institute , Fencing of Schools; Nyankongo Primary School, Riotero Primary

School etc, Renovation of homescience workshop at Kioge Girls High School and Construction of Computer laboratories at Nyaore Secondary and Nyagisai Secondary School provided opportunities to contractors and suppliers of building materials for these major projects.

One notable project that the constituency has implemented is Nyamorenyo Primary School; Construction and equipping of one classroom the impact of this project has been immense since it has created conducive environment to learners. The projects serves more than 40 learners who were previously studying in dilapidated structures.



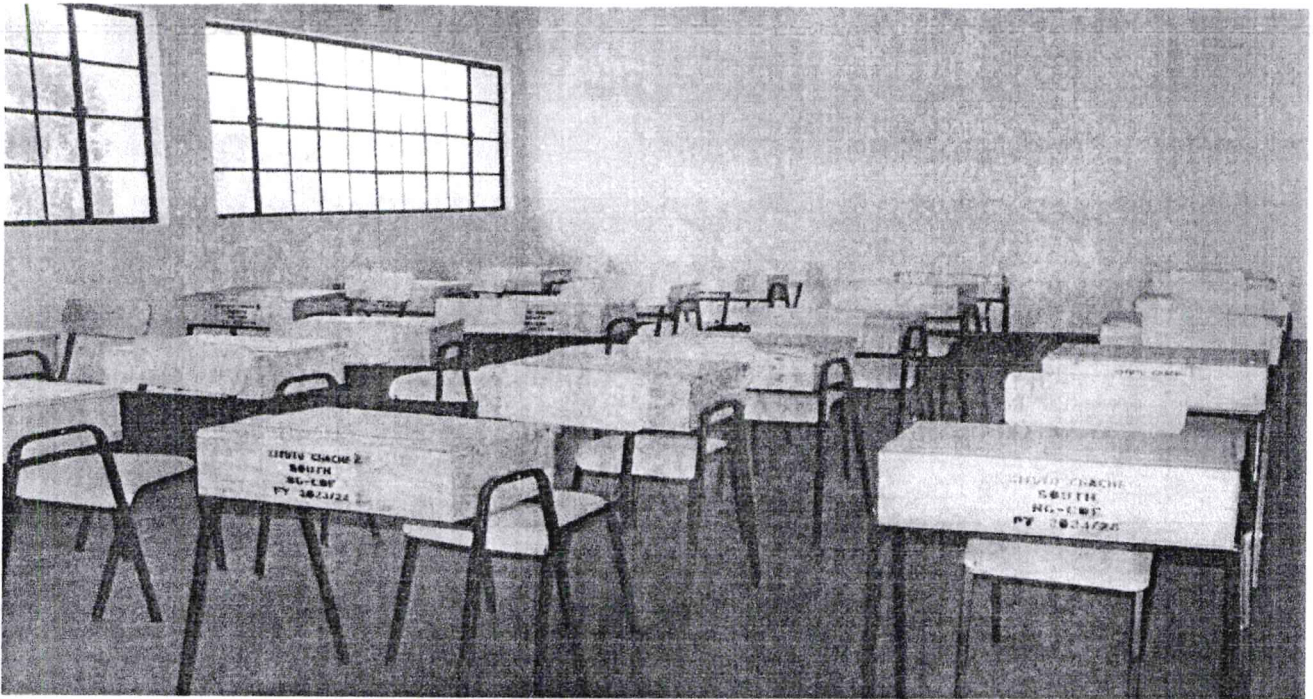


Figure 4 & 5: Nyamorenyo Primary School; Construction and equipping of one classroom.

The Fund has also been able to construct additional classrooms, computer laboratories and dining halls in the various primary and secondary schools, key among them are the complete classrooms in Nyamorenyo Primary School, St. Mary's Primary School, Bogeka primary School, Mariiba Primary School and St. Mary's Boys Boarding Primary School. The constituency is further planning to construct storied tuition blocks in Nyankongo Primary School, Nyambara Primary School and Proposed Botori Primary School to provide for conducive learning environment for the students and provide conducive working area for the teachers and administrators of the schools. They have also reduced the pressure on additional land for the institutions which has been a great challenge.

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

c) Compliance with statutory requirements.

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

For instance, schedule four of the Constitution 2010 has outlined the roles of National Government and County Government and in no instance has Kitutu Chache South been cited for non-compliance.

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

d) Review of the Economy, Sector and Future Developments

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

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

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



.....
Edwin Kimutai
Fund Account Manager

8. Environmental and Sustainability Reporting

Environmental matters relates to mitigation of the climate change effects that has been put forward as a government agenda. The recent amendment of NGCDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NGCDF Fund. Kitutu Chache South NG-CDF in its budget for financial year 2024-2025 allocated Ksh. 2,100,000 towards purchase of water tanks and planting of seedlings in various public institutions across the constituency.

1. Sustainability strategy and profile -

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

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

2. Environmental performance

During the Financial year, Kitutu Chache South NG-CDFC budgeted to plant tree seedlings in thirteen schools as a way of mitigating the climate change effects.

Sensitization of youth/ community on the impact of drugs after by allocating fund for construction of digital hubs in Kitutu Central Ward to make youth to be gainfully engaged.

3. Employee welfare

We invest in providing the best working environment for our employees. Kitutu Chache South 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. Kitutu Chache South 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-

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kitutu Chache South 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

Kitutu Chache South 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.

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



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Edwin Kimutai
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- Kitutu Chache South 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- Kitutu Chache South 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- Kitutu Chache South 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.


National Government Constituencies Development Fund (NGCDF)
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The Accounting Officer in charge of the NGCDF Kitutu Chache South 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 – Kitutu Chache South Constituency financial statements were approved and signed by the Accounting Officer on 30th 06 2025.



.....
Alphonse Onsongo
Chairman – NGCDF Committee



.....
Edwin Kimutai
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU CHACHE SOUTH 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 financial statements of National Government Constituencies Development Fund – Kitutu Chache South Constituency set out on pages 1 to 63, which comprise of the statement of financial position as at 30 June, 2025, and the statement financial performance, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kitutu Chache South 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) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported and Unutilized Project Management Committee Balance Balances

The statement of financial position reflects cash and cash equivalents balance of Kshs.124,481,111 which, as disclosed in Note 13 to the financial statements, includes a balance of Kshs.48,567,573 in respect of Project Management Committee (PMC) bank balances as detailed in Annex 2 to the financial statements. However, the supporting bank reconciliation statements, board of survey reports and certificates of bank balances were not provided for audit review. In addition, the balance of Kshs.48,567,574 represents amounts transferred to PMC for implementation of projects, but not utilized as at 30 June, 2025.

In the circumstances, the accuracy and completeness of the PMC bank balances of Kshs.48,567,574 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 – Kitutu Chache South Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted revenue and actual on comparable basis amounts of Kshs.325,056,669 and Kshs.270,614,714 respectively, resulting in underfunding of Kshs.54,441,955, or 17% of the budget. Similarly, out of the actual receipts of Kshs.270,614,714, the Fund spent an amount of Kshs.146,133,603, resulting in underutilization of Kshs.124,481,111, or 46%.

In addition, the approved expenditure budget of Kshs.325,056,669 includes Kshs.61,020,000, being the budgetary allocations of twenty-seven (27) projects relating to primary schools and secondary schools, which had not been implemented as at 30 June, 2025.

The underfunding, underutilization and non-implementation of projects affected the planned activities and may have impacted negatively on service delivery to the residents of Kitutu Chache South Constituency.

2. Late Disbursement from NG-CDF Board

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects transfers from the NGCDF Board amount of Kshs.179,441,954 which includes an amount of Kshs.62,000,000 received late in the months of May of Kshs.20,000,000 and an amount of Kshs.42,000,000 received in June, 2025. This was contrary to Section 16(a) of National Government Constituency Development Fund Act, 2015, which states that the functions of the Board shall be to ensure timely and efficient disbursement of funds to every constituency.

Late disbursements from the Board effected the implementation of the planned activities and projects, which may have negatively impacted service delivery to the public.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

of Internal Controls, Risk Management and Governance, respectively. Review of the status as at 30 June, 2025 revealed that the following matters remained unresolved:

S/No.	Audit Issue
1	Unconfirmed Accuracy of Cash and Cash Equivalents Balance
2	Unsupported Bursary Disbursement
3	Budgetary Control and Performance
4	Failure to Provide Procurement Records and Technical Specifications on Proposed Drilling and Development of Borehole at Kiamwasi Polytechnique Water Project
5	Exceeding Approved Amount on Purchase of One (1) acre of Land at Botori Primary School and Lack of Ownership Documents
6	Irregularities in Disbursement and Management of Bursary
7	Irregular Expenditure of Emergency Projects

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects 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

Non-Compliance with the Law on Acquisition of Land

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects other Government units actual expenditure of Kshs.60,218,221 which includes primary schools actual expenditure of Kshs.45,173,614. Included in the latter amount is an amount of Kshs.5,400,000 that was paid for one (1) acre parcel of land at Kitutu/Daraja Mbili for the proposed Botori Primary School, being the final payment of the total cost of Kshs.14,400,000. However, the title deed for the parcel of land had not been obtained as at the time of audit in September, 2025. This was contrary to Regulation 11(1)(k) of the National Government Constituencies Development Fund Regulations, 2016, which states that the functions of a constituency committee shall be to ensure that where a project involves purchase of a parcel of land or a building, the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies.

In the circumstances, the Constituency Committee 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

procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weak Internal Audit Function

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

has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

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

2. Ineffective Audit Committee

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

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

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

Responsibilities of Management and those Charged with Governance

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

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

Auditor-General's Responsibilities for the Audit

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


03 November, 2025

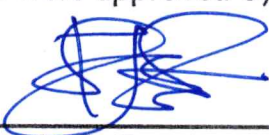
National Government Constituencies Development Fund (NGCDF)
Kitutu Chache South Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

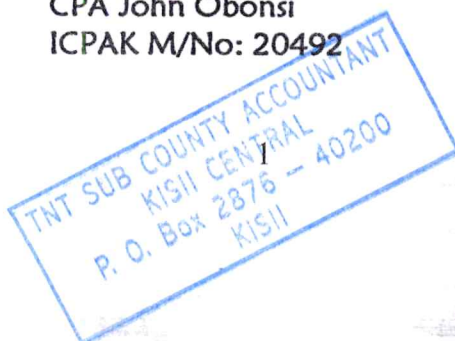
	Note	FY 2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners		-
Revenue from exchange transactions		
Finance income		-
Miscellaneous income	7	118,500
Total revenue		179,560,454
Expenses		
Employee costs	8	4,111,474
Committee expenses	9	5,115,517
Use of Goods and Services	10	7,948,322
Other Government Units Actual expenditure	11	60,218,221
Other Grants and Transfers Actual expenditure	12	71,523,790
Depreciation and amortization expense		-
Digital Hubs Expenses Actual expenditure		-
Total expenses		148,917,323
Other gains/(losses)		
Gain/Loss on Sale of Assets		-
Impairment loss		-
Surplus/(Deficit) for the year		30,643,131

The Constituency financial statements were approved by the NGCDFC on 30th 06 2025 and signed by:


 Chairman NG-CDF
 Committee
 Alphonse Onsongo


 National Sub-County
 Accountant
 CPA John Obonsi
 ICPAK M/No: 20492


 Fund Account Manager
 Edwin Kimutai




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

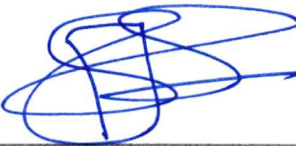
12. Statement of Financial Position As At 30th June, 2025

	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	13	124,481,111	88,062,171
Receivables from Exchange Transactions		-	-
Receivables from Non-Exchange Transactions	14	54,441,955	57,434,043
Prepayments		-	-
Total Current Assets		178,923,066	145,496,214
Non-Current Assets			
Property, Plant and Equipment		-	-
Intangible Assets		-	-
Right-of-use assets		-	-
Total Non- Current Assets		-	-
Total Assets (A)		178,923,066	145,496,214
Liabilities			
Current Liabilities			
Trade and Other Payables		-	-
Third Party Deposits	15	2,758,059	892,559
Lease Liabilities		-	-
Gratuity Provision	16	1,824,040	905,820
Total Current Liabilities		4,582,099	1,798,379
Non-Current Liabilities			
Lease Liabilities		-	-
Total Liabilities (B)		4,582,099	1,798,379
Net Assets (A-B)		174,340,967	143,697,835
Represented by:			
Revaluation Reserves			
Accumulated Surplus		174,340,967	143,697,835
Total Net Assets		174,340,967	143,697,835

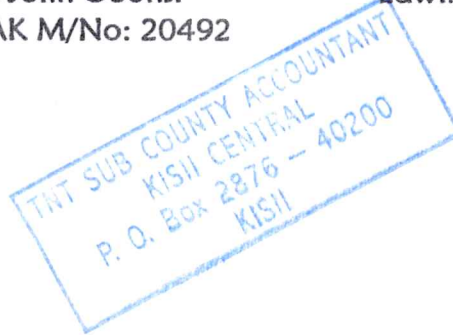
National Government Constituencies Development Fund (NGCDF)
Kitutu Chache South Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

The Constituency financial statements set out on pages 1 to 22 approved by NG CDFC on 30.08 2025 and signed by:


Chairman NG-CDF
Committee
Alphonse Onsongo


National Sub-County
Accountant
CPA John Obonsi
ICPAK M/No: 20492


Fund Account Manager
Edwin Kimutai



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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024		79,763,968	79,763,968
Adjustments			
Recognition of Assets		64,239,883	64,239,883
Recognition of Liabilities		(306,015)	(306,015)
As at July 1, 2024		143,697,835	143,697,835
Surplus/(Deficit) For the Period		30,643,131	30,643,131
Revaluation Gain/Loss		-	-
As at June 30, 2025 (current year)		174,340,967	174,340,967

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

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		182,434,043
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		118,500
Total Receipts		182,552,543
Payments		
Employee costs		3,193,254
Committee expenses		5,115,517
Use of Goods and Services		7,948,322
Other Government Units Certified Works		58,213,028
Other Grants and Transfers		71,663,483
Digital Hubs Expenses		-
Total Payments		146,133,603
Net Cash Flows from/ (used in) Operating Activities	17	36,418,940
Cash flows From Investing Activities		-
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		
Net increase/(decrease) in cash & Cash equivalents		36,418,940
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		36,418,940
Cash and cash equivalents at 1 July	13	88,062,171
Cash and cash equivalents at 30 June	13	124,481,111

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

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
	FY 2024/2025	Opening Balance (C/Blk) and AIA	Previous Years' Outstanding disbursements	FY 2024/2025	FY 2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	88,062,171	57,434,043	324,938,169	270,496,214	54,441,955	83
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	118,500	-	118,500	118,500	-	-
Totals	179,441,954	88,180,671	57,434,043	325,056,669	270,614,714	54,441,955	83
Expenses							
Employee costs	3,995,940	480,189	-	4,476,129	3,193,254	1,282,876	71
Committee expenses	4,880,001	511,275	-	5,391,276	5,115,517	275,759	95
Use of Goods and Services	8,273,835	57,644	-	8,331,479	7,948,322	383,158	95
Other Government Units Certified Works	61,020,000	77,195,346	53,059,822	191,275,168	58,213,028	133,062,140	30

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	D	e=(c-d)	f=d/c*100
	<i>FY 2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>FY 2024/2025</i>	<i>FY 2024/2025</i>		
Other Grants and Transfers	73,544,313	6,158,049		79,702,362	71,663,483	8,038,879	90%
Acquisition of Assets	-	3,525,868	2,146,454	5,672,322	-	5,672,322	-
Digital Hubs Expenses	2,627,865		2,227,767	4,855,632	-	4,855,632	-
Other payments		50,000		50,000	-	50,000	-
Funds Pending Approval**	25,100,000	202,300	-	25,302,300	-	25,302,300	
Total Expenditure	179,441,954	88,180,671	57,434,043	325,056,669	146,133,603	178,923,066	45%
Surplus for the period	-	-	-	-	124,481,111	(124,481,111)	

***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.

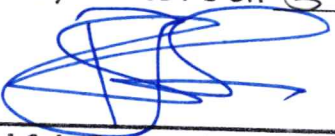
Transfers From the NGCDF Board, Employee costs, Other Government Units Certified Works, were below 90% in utilization because the constituency had not received total allocation for the year and therefore some projects had not been funded.

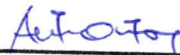
*National Government Constituencies Development Fund (NGCDF)
 Kitutu Chache South Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	178,923,066
Less undisbursed funds receivable from the Board as at 30 th June 2025	54,441,955
Cash and Cash Equivalents at the end of the 30 th June 2025	124,481,111

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 30.08 2025 and signed by:


 Fund Account Manager
 Edwin Kimutai


 National Sub-County Accountant
 John Obonsi
 ICPAK M/No: 20492


 Chairman NG-CDF Committee
 Alphonse Onsongo

SUB COUNTY ACCOUNTANT
 KISII CENTRAL
 P. O. Box 2876 - 40200
 KISII

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,995,940	480,189	-	4,476,129	3,193,254	1,282,876
1.2 Committee allowances	2,892,000	505,230	-	3,397,230	3,121,517	275,713
1.3 Use of goods and services	4,878,577	17,015	-	4,895,592	4,528,322	367,271
Sub-total	11,766,517	1,002,434	-	12,768,951	10,843,092	1,925,859
2.0 Monitoring and evaluation						
2.1 Capacity building	1,914,630	25,429	-	1,940,059	1,940,000	59
2.2 Committee allowances	1,988,001	6,045	-	1,994,046	1,994,000	46
2.3 Use of goods and services	1,480,628	15,200	-	1,495,828	1,480,000	15,828
Sub-total	5,383,259	46,674	-	5,429,933	5,414,000	15,933
3.0 Emergency						
Utilized		-	-			-
Rwora Primary School	800,000	-	-	800,000	800,000	-
Gesarara Primary School	800,000	-	-	800,000	800,000	-
Moneke Primary School	800,000	-	-	800,000	800,000	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kanunda Primary School	750,000	-	-	750,000	750,000	-
Nyanguru Primary School	600,000	-	-	600,000	600,000	-
Moneke Primary School	800,000	-	-	800,000	800,000	-
Nyanguru Secondary School	800,000	-	-	800,000	800,000	-
Raganga Primary	799,953	-	-	799,953	799,953	-
Kiogo Primary	799,953	-	-	799,953	799,953	-
Nyatioko Secondary	1,732,674	-	-	1,732,674	1,732,674	-
Unutilized	761,733	(2,267,126)	-	(1,505,393)	-	(1,505,393)
Sub-total	9,444,313	(2,267,126)	-	7,177,187	8,682,580	(1,505,393)
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	40,000,000	(4,670,427)	-	35,329,573	40,175,000	(4,845,427)
4.3 Tertiary Institutions	20,000,000	2,377,976	-	22,377,976	21,617,000	760,976
4.4 special needs	-	-	-	-	-	-
4.5 Education Support Programmes	-	-	-	-	-	-
4.6 Social Security	-	-	-	-	-	-
Sub-total	60,000,000	(2,292,451)	-	57,707,549	61,792,000	(4,084,451)

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sports	-	71,006	-	71,006	-	71,006
Sub-total	-	71,006	-	71,006	-	71,006
5.0 Climate Change Mitigation						
Daraja Mbili Primary School	350,000	-	-	350,000	-	350,000
Mwechobori Primary School	350,000	176,000	-	526,000	173,790	352,210
Kiong'ongi Primary School	350,000	-	-	350,000	-	350,000
Nyakeogiro Primary School	350,000	-	-	350,000	-	350,000
Keore Primary School	350,000	-	-	350,000	-	350,000
Nyanchogochi Primary School	350,000	-	-	350,000	-	350,000
Nyosia Primary School	-	689,259	-	689,259	-	689,259
Kimwasi Primary School	-	177,000	-	177,000	175,990	1,010
Kanunda Primary School	-	177,000	-	177,000	-	177,000
Kioge Primary School	-	177,000	-	177,000	-	177,000
Sakawa Primary School	-	177,000	-	177,000	175,300	1,700
Kiogo Primary School	-	177,000	-	177,000	-	177,000
Nyanguru Primary School	-	177,000	-	177,000	174,220	2,780

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
		Kshs	Kshs	Kshs	Kshs	Kshs
Matieko Primary School	-	177,000	-	177,000	175,490	1,510
Nyamatuta Primary School	-	177,000	-	177,000	-	177,000
Keore Secondary School	-	177,000	-	177,000	-	177,000
Rera Primary School	-	177,000	-	177,000	174,420	2,580
Nyabundo Primary School	-	177,000	-	177,000	-	177,000
Getembe Secondary Schpp;	-	177,000	-	177,000	-	177,000
Kanyimbo Secondary School	-	-	-	-	69,899	69,899
Nyosia Primary School	-	-	-	-	69,794	69,794
Sub-total	2,100,000	2,989,259	-	5,089,259	1,188,903	3,900,356
6.0 Primary Schools Projects						
Bogeka Primary School	-	680,993	832,128	1,513,121	58,000	1,455,121
Bokeabu Primary School	800,000	1,509,029	-	2,309,029	160,000	2,149,029
Botori Primary School	1,500,000	-	5,400,000	6,900,000	-	6,900,000
Botori Primary School	10,000,000	-	-	10,000,000	5,400,000	4,600,000
Bototo Primary School	-	300,000	-	300,000	-	300,000
Daraja Mbili Primary School	-	1,650,000	-	1,650,000	1,300,000	350,000
Daraja Mbili Primary School	-	4,900,000	-	4,900,000	3,650,000	1,250,000
Ebate Primary School	-	246,680	-	246,680	12,500	234,180
Ebate Primary School	-	2,202,789	-	2,202,789	75,451	2,127,338

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Gesarara Primary School	-	1,264,992	-	1,264,992	-	1,264,992
Getembe Primary School	-	2,246,797	-	2,246,797	2,068,200	178,597
Iranda Primary School	-	6,000,000	-	6,000,000	3,100,000	2,900,000
Ititi Primary School	-	(5,123)	2,450,000	2,444,877	122,500	2,322,377
Ititi Primary School	-	2,909,029	-	2,909,029	370,000	2,539,029
Jogoo Primary School	2,500,000	-	-	2,500,000	-	2,500,000
Kanunda Primary School	-	1,393,720	-	1,393,720	700,000	693,720
Kanyimbo Primary School	-	1,000,000	-	1,000,000	119,960	1,119,960
Kanyimbo Primary School	-	1,400,000	-	1,400,000	-	1,400,000
Keore Primary School	-	1,407,525	-	1,407,525	50,491	1,458,016
Kiamwasi Primary School	-	794,809	-	794,809	40,000	754,809
Kianyabinge Primary School	-	250,000	-	250,000	12,500	237,500
Kianyabinge Primary School	-	549,323	-	549,323	35,000	514,323
Kioge Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Kiogo Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Kiombeta Primary School	-	2,800,000	-	2,800,000	2,520,000	280,000
Kisii Special School	-	1,033,225	-	1,033,225	51,661	981,564
Mariiba Primary School	800,000	1,407,524	-	2,207,524	70,376	2,137,148
Moneke Primary School	-	250,000	-	250,000	250,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Nyabiyongo Primary School	-	1,250,000	-	1,250,000	12,500	1,237,500
Nyabundo Primary School	3,000,000	-	-	3,000,000		3,000,000
Nyagisai Primary School	-	-	1,407,525	1,407,525	70,376	1,337,149
Nyakeogiro Primary School	800,000	1,407,524	-	2,207,524		2,207,524
Nyakeogiro Primary School	1,000,000	1,500,000	-	2,500,000		2,500,000
Nyamatuta Primary School	2,320,000	250,000	-	2,570,000	12,500	2,557,500
Nyambara Primary School	2,200,000	3,097,231	3,000,000	8,297,231	162,500	8,134,731
Nyamondo Primary School	-	3,744,512	-	3,744,512	3,000,100	744,412
Nyamorenyo Primary School	-	3,050,000	-	3,050,000	1,880,090	1,169,910
Nyamorenyo Primary School	-	1,509,029	-	1,509,029	1,260,451	248,578
Nyamorenyo Primary School	-	126,246	-	126,246	15,000	111,246
Nyanchogochi Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Nyanguru Primary School	-	-	2,350,000	2,350,000	1,880,090	469,910
Nyankongo Primary School	6,000,000	(8,799)	3,000,000	8,991,201	2,950,000	6,041,201
Nyankongo Primary School	-	1,650,000	-	1,650,000	82,500	1,567,500
Nyaore Primary School	-	1,407,524	-	1,407,524	-	1,407,524
Nyatieko Primary School	800,000	(1,572)	-	798,428	110,000	688,428
Nyosia Primary School	-	-	250,000	250,000	250,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nyosia Primary School	-	-	1,509,029	1,509,029	75,451	1,433,578
Ong'icha Primary School	-	1,298,919	2,359,500	3,658,419	2,654,300	1,004,119
Raganga Primary School	-	-	120,000	120,000	-	120,000
Rera Primary School	800,000	300,000	-	1,100,000	12,500	1,087,500
Riangoko Primary School	-	-	3,050,000	3,050,000	2,700,000	350,000
Rioterero Primary School	-	-	2,200,000	2,200,000	1,440,000	760,000
Rwora Primary School	-	-	1,509,029	1,509,029	1,209,000	300,029
Sakawa Primary School	800,000	(3,320)	-	796,680	-	796,680
Siara Primary School	-	2,909,029	-	2,909,029	75,451	2,833,578
St. Joseph's Nyabururu Primary School	-	-	388,000	388,000	198,000	190,000
St. Joseph's Nyabururu Primary School	-	-	1,407,524	1,407,524	1,209,524	198,000
St. Mary's Primary School - Mosocho	-	-	2,518,058	2,518,058	-	2,518,058
St. Mary's Primary School - Nyabururu	-	-	300,000	300,000	15,000	285,000
St. Mary's Primary School - Nyabururu	-	-	1,209,029	1,209,029	181,354	1,027,675
St. Peter's Soko Primary School	800,000	(4,849)	2,350,000	3,145,151	2,200,000	945,151

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Bogeka PAG Primary School	-	4,092	-	4,092	-	4,092
Bokeabu DOK Primary School	-	4,888	-	4,888	-	4,888
Bototo Primary School	-	2,922	-	2,922	-	2,922
Daraja Mbili Primary School	-	3,538,910	-	3,538,910	-	3,538,910
Gesarara DEB Primary School	-	11,922	-	11,922	-	11,922
Getembe Primary School	-	11,597	-	11,597	-	11,597
Iranda Primary School	-	215,290	-	215,290	-	215,290
Jogoo Primary School	-	803	-	803	-	803
Keore Primary School	-	5,083	-	5,083	-	5,083
Kianyabinge Primary School	-	2,108	-	2,108	-	2,108
Kioge Primary School	-	3,150	-	3,150	-	3,150
Mariiba Primary School	-	1,528	-	1,528	-	1,528
Moneke Primary School	-	2,901	-	2,901	-	2,901
Mwechobori DEB Primary School	-	130,902	-	130,902	-	130,902
Nyabundo Primary School	-	1,016	-	1,016	-	1,016
Nyagisai Primary	-	1,370	-	1,370	-	1,370
Nyamatuta Primary School	-	5,478	-	5,478	-	5,478
Nyaore Primary School	-	1,421	-	1,421	-	1,421

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nyosia II Primary School	-	7,361	-	7,361	-	7,361
Raganga DOK Primary School	-	1,669	-	1,669	-	1,669
Rera Primary School	-	156	-	156	-	156
Rioter Primary School	-	3,946	-	3,946	-	3,946
Rwora Primary School	-	352	-	352	-	352
Siara DOK Primary School	-	3,772	-	3,772	-	3,772
St. Joseph's Nyabururu Primary School	-	2,948	-	2,948	-	2,948
St. Mary's Nyabururu Primary School	-	110,127	-	110,127	-	110,127
Sub-total	37,920,000	63,748,500	37,609,822	139,278,322	43,482,427	95,795,895
7.0 Secondary Schools Projects						
Kanunda Secondary School	2,800,000	-	-	2,800,000	-	2,800,000
Cardinal Otunga High School	-	-	3,500,000	3,500,000	3,500,000	-
Cardinal Otunga High School	-	700,000	-	700,000	-	700,000
Daraja Mbili Secondary School	4,000,000	-	3,000,000	7,000,000	-	7,000,000
Getembe Secondary School	2,100,000	-	-	2,100,000	-	2,100,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kanyimbo Secondary School	2,100,000	-	-	2,100,000	-	2,100,000
Keore Secondary	-	700,000	-	700,000	-	700,000
Kiogo Secondary School	4,000,000	-	-	4,000,000	-	4,000,000
Matieko Secondary School	-	900,677	-	900,677	-	900,677
Nyagisai Secondary School	-	1,500,000	-	1,500,000	480,000	1,020,000
Nyakeogiro Secondary School	-	-	1,000,000	1,000,000	950,000	50,000
Nyamatuta Secondary School	4,000,000	-	-	4,000,000	-	4,000,000
Nyamatuta Secondary School	1,000,000	500,000	-	1,500,000	-	1,500,000
Nyanguru Secondary School	2,100,000	1,270,000	-	3,370,000	370,000	3,000,000
Nyatieko Secondary School	-	-	2,300,000	2,300,000	-	2,300,000
Raganga Secondary School	1,000,000	-	3,850,000	4,850,000	3,014,557	1,835,443
Rioter Secondary School	-	-	1,800,000	1,800,000	1,700,000	100,000
St. Ambrose Nyaore Secondary School	-	500,009	-	500,009	498,000	2,009
St. Clare Kioge Girls Secondary School	-	1,450,000	-	1,450,000	950,000	500,000
Bogeka PAG Secondary School	-	2,630	-	2,630	-	2,630
Nyakeogiro Secondary Sc	-	187,136	-	187,136	-	187,136
Raganga Secondary School	-	200,825	-	200,825	-	200,825

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
St. Ambrose Nyaore Sec	-	2,323	-	2,323	-	2,323
St. Clare Kioge Sec. School	-	5,605	-	5,605	-	5,605
St. Ambrose Nyaore Secondary School	-	1,966,668	-	1,966,668	-	1,966,668
St. Clare Kioge Girls High School	-	89,936	-	89,936	-	89,936
St. Luke's Kanunda Secondary School	-	3,438	-	3,438	-	3,438
St. Catherine Iranda Secondary School	-	118,500	-	118,500	50,809	67,691
Sub-total	23,100,000	10,097,746	15,450,000	48,647,746	11,513,366	37,134,380
8.0 Tertiary institutions Projects						
Kenya Medical Training College	-	500,000	-	500,000	498,000	2,000
Kiamwasi Technical Training Institute	-	2,849,100	-	2,849,100	2,719,235	129,865
Sub-total	-	3,349,100	-	3,349,100	3,217,235	131,865
9.0 Security Projects						
Nyakoe chief's office	2,000,000		-	2,000,000	-	2,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Bogeka Chief's Office	-	500,000	-	500,000	-	500,000
Bogusero Chief's Office	-	1,800,000	-	1,800,000	-	1,800,000
Kitutu Central DCC Office	-	500,000	-	500,000	-	500,000
Kitutu Central Sub-County CPU	-	500,000	-	500,000	-	500,000
Kitutu Central Sub County Police	-	850,000	-	850,000	-	850,000
Mosocho ACC Office	-	2,004,885	-	2,004,885	-	2,004,885
Nyanguru Chief's Office	-	1,000,000	-	1,000,000	-	1,000,000
Nyatieko Police Line	-	500,000	-	500,000	-	500,000
Nyatieko Asst. Chief's Office	-	2,476	-	2,476	-	2,476
Sub-total	2,000,000	7,657,361	-	9,657,361	-	9,657,361
10.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
12.2 Purchase of furniture and fittings	-	-	2,146,454	2,146,454	-	2,146,454
12.3 Construction of CDF office	-	3,525,868	-	3,525,868	-	3,525,868
12.4 Purchase of Drone Camera	-	-	-	-	-	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	-	3,525,868	2,146,454	5,672,322	-	5,672,322
11.0 Digital Hubs						
Kitutu Central Digital Hub	2,627,865	-	2,227,767	4,855,632	-	4,855,632
Sub-total	2,627,865	-	2,227,767	4,855,632	-	4,855,632
12.0 Others						
Strategic Plan	-	50,000	-	50,000	-	50,000
Sub-total	-	50,000	-	50,000	-	50,000
Funds pending approval**						
unapproved projects	25,100,000	-	-	25,100,000	-	25,100,000
AiA	-	202,300	-	202,300	-	202,300
	25,100,000	202,300	-	25,302,300	-	25,302,300
Total	179,441,954	88,180,671	57,434,043	325,056,669	146,133,603	178,923,065

(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 Kitutu Chache South Constituency principal activity is based on infrastructure in education and security sectors, climate change and mitigation activities, bursary to needy students and social programs

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 Kitutu Chache South 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 Kitutu Chache South 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	Applicable 1st January 2025 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 recognize, measure and present information on right of use assets and lease liabilities. Not Applicable
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Not Applicable
IPSAS 45: Property Plant and	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets

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Equipment	<p>and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not Applicable</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not Applicable</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</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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	<i>Not Applicable</i>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not Applicable</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not Applicable</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>Not Applicable</i></p>

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair

value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

6. Transfers from the NGCDF Board

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Description	FY 2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Miscellaneous income

	FY 2024/2025
	Kshs
Rental Income	-
Income from sale of tenders	118,500
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	118,500

8. Employees cost

	FY 2024/2025
	Kshs
NG-CDFC Basic staff salaries	2,962,004
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	918,220
Employer Contributions Compulsory national social security schemes	177,720
Employer Contributions Compulsory Housing levy	44,430
Employer contributions to National Industrial Training Authority	9,100
Other Specify	-
Total	4,111,474

9. Committee Expenses

	FY 2024/2025
	Kshs
Sitting allowance	2,445,517
Other Committee expenses	2,670,000
Total	5,115,517

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10. Use of Goods and services

	<i>FY 2024/2025</i>
	Kshs
Utilities, supplies and services	400,000
Communication, supplies and services	3,240,440
Domestic travel and subsistence	800,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	312,000
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	1,339,500
Fuel, oil & lubricants	-
Bank charges	41,557
Routine maintenance – vehicles and other transport equipment	874,825
Routine maintenance – other assets	940,000
Strategic plan expenses	-
Other operating expenses	-
Total	7,948,322

11. Other Government Units Actual expenditure

Description	<i>FY 2024/2025</i>
	Kshs
Primary Schools Actual expenditure	45,173,614
Secondary Schools Actual expenditure	11,697,507
Tertiary Institutions Actual expenditure	3,347,100
Total	60,218,221

12. Other Grants and transfers Actual expenditure

	<i>FY 2024/2025</i>
	Kshs
Bursary – secondary schools	40,175,000

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Bursary – tertiary institutions	21,617,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	1,049,210
Emergency projects Actual expenditure	8,682,580
Roads projects Actual expenditure	-
Others specify	-
Total	71,523,790

13. Cash and Cash Equivalents

Name Of Bank and Account No.	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Operations account: Family Bank, Account No. 027000056315</i>	73,335,422	81,562,347
<i>Operations account pending closure</i>	-	-
<i>Deposit account: Family Bank, account No. 027000071242</i>	2,578,117	-
<i>PMC accounts: Co-operative bank, various accounts as listed in Annex 2</i>	48,567,573	6,499,825
Total	124,481,111	88,062,171
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

14. Receivables from Non-Exchange Transactions

Description	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Transfers from NGCDFB	54,441,955	57,434,043
Outstanding imprest	-	-
Total	54,441,955	57,434,043

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Ageing Analysis- Receivables from non-exchange transactions	<i>FY 2024/2025</i>	<i>% of the total</i>	<i>Opening Balance</i>	<i>% of the total</i>
Less than 1 year	54,441,955	100%	57,434,043	100%
Between 1-2 years	-	%		%
Over 3 years	-	%	-	%
Total	54,441,955	100%	57,434,043	100%

15. 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)	892,559	
Retention held during the period (B)	2,515,347	892,559
Retention paid during the period (C)	649,847	
Closing Retention as at period June 2025, D= A+B-C	2,758,059	892,559

Retentions aging analysis.

	<i>FY 2024/2025</i>	<i>% of the total</i>	<i>FY 2023/2024</i>	<i>% of the total</i>
Less than 1 year	2,758,059	100%		%
1-2 years	-	%	892,559	100%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	2,758,059	100%	892,559	100%

16. Gratuity Provision

Description	<i>FY 2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the year 1 st of July	905,820	

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Gratuity held during the year	918,220	905,820
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	1,824,040	905,820

17. Cash Generated from Operations

	<i>FY 2024/2025</i>
	Kshs
Surplus/Deficit for the year	30,643,131
Adjusted for:	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	2,992,088
Increase/decrease in payables	2,783,720
Net cash flow from operating activities	36,418,940

18. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	54,441,955	54,441,955	-	-

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Bank balances	124,481,111	124,481,111	-	-
Total	178,923,066	178,923,066	-	-
As at 30 June 2024				
Receivables from exchange transactions		-	-	-
Receivables from non-exchange transactions	57,434,043	57,434,043	-	-
Bank balances	88,062,171	88,062,171	-	-
Total	145,496,214	145,496,214	-	-

(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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from 2024. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions(retention)	-	-	2,758,059	2,758,059
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,824,040	1,824,040
Total	-	-	4,582,099	4,582,099
As at 30th June 2024	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions(retentions)	-	-	892,559	892,559
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	905,820	905,820
Total	-	-	1,798,379	1,798,379

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.

iv) Capital Risk Management

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

Description	FY 2024/2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	174,340,967	143,697,835
Capital Reserve	-	-

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Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	124,481,111	88,062,171
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

19. Related Party Disclosures

	<i>FY 2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,445,517	1,287,600
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	182,434,043	188,087,603
Total	184,879,560	189,375,203

20. Events after the Reporting Period

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

21. Ultimate And Holding Entity

The Kitutu Chache South 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.

22. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	33,671,162	-	-	33,671,162
Transport equipment	4,300,000	-	-	4,300,000
Office equipment, furniture, and fittings	548,900	-	-	548,900
ICT Equipment and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	38,520,062	-	-	38,520,062

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

PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance FY 2023/2024
Bogeka Primary School	Co-operative	01141670098000	1,455,121	2,630
Bokeabu Primary School	Co-operative	01117016646501	1,349,029	4,092
Daraja Mbili Primary Sch	Co-operative	01141017460800	100,000	4,888
Ebate Primary school	Co-operative	01141789052900	234,380	187,136
Nyamorenjo Primary School	Co-operative	01120422758700	74,823	(4,549)
Getembe Primary School	Co-operative	01100423517500	293,597	(3,320)
Ititi Primary School	Co-operative	01117016261901	2,327,500	11,922
Kianyabinge Primary Sc	Co-operative	01117424523100	665,000	2,108
Raganga Secondary School	Co-operative	01100296797100	50,000	-
Kanunda Primary School	Co-operative	01120017461600	696,880	(5,123)
Kanyimbo Primary Sch	Co-operative	01100423989700	2,519,960	803
Daraja Mbili Primary Sch.	Co-operative	01100016648000	138,910	2,922
Keore Primary School	Co-operative	01100017461100	1,463,098	(3,160)
Kiamwasi Primary Sch.	Co-operative	01139017461502	757,555	5,083
Kianyabinge Primary Sc	Co-operative	01120017469600	237,500	(2,745)
Nyamorenjo Primary Sch	Co-operative	01100016653500	285,000	(2,844)
Kiombeta Primary School	Co-operative	01139016649202	283,175	3,150
Kisii Special School	Co-operative	01141423502500	1,018,738	1,528

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PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance FY 2023/2024
Mariiba Primary School	Co-operative	01117071487502	1,338,676	2,901
Moneke Primary School	Co-operative	01139424606100	202,760	130,902
Nyabiyongo Pri School	Co-operative	01117017522802	604,065	1,016
Nyagisai Primary School	Co-operative	01141017686800	1,338,519	1,370
Nyamatuta Primary Schol	Co-operative	01106704400001	243,018	200,825
Nyankongo Primary Sch	Co-operative	01100423364000	233,251	(1,572)
Nyambera Primary School	Co-operative	01141808796200	2,848,766	2,323
Nyamondo Primary Sch	Co-operative	01100017457400	747,256	5,478
Nyamorenyo Primary Sch	Co-operative	01120017460300	469,910	(1,534)
Ebate Primary school	Co-operative	01139018515800	1,430,458	3,538,910
Nyambera Primary School	Co-operative	01117423550801	237,500	-
Ititi PrimarySchool	Co-operative	01100424508300	1,330,000	11,597
Nyanguru Primary School	Co-operative	01100423365300	469,923	1,421
Nyosia Primary School	Co-operative	01139017079203	1,433,578	156
Nyankongo Primary Sch	Co-operative	01117017457701	1,330,000	7,361
Riotero Primary School	Co-operative	01117017074301	4,146	3,772
Nyatieko Primary School	Co-operative	01117016831002	2,090,000	1,669
Nyosia Primary School	Co-operative	01139670742600	7,311	5,605
St. Mary's Nyabururu Pri.	Co-operative	01120297952700	395,427	2,948

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PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance FY 2023/2024
Ongicha Primary School	Co-operative	01141019160400	-	-
Rera Primary School	Co-operative	01100016777000	237,500	3,946
Riangoko Primary School	Co-operative	01139476434700	300,952	352
Riotero Primary School	Co-operative	01100019608200	760,000	(3,320)
Nyankongo Primary Sch	Co-operative	01120017082100	50,000	(3,907)
Rwora Primary School	Co-operative	01139019582102	300,381	1,966,668
Siara Primary School	Co-operative	01141019670500	1,437,350	89,936
Ititi Primary School	Co-operative	01141788885100	1,209,029	215,290
St. Mary's Primary School – Mosoch	Co-operative	01120017970000	2,326,925	3,438
St. Mary's Primary School Nyabururu	Co-operative	01129424692300	1,148,578	110,123
St. Peter's Soko Primary	Co-operative	01120016580700	150,000	(4,849)
Gesarara Primary	Co-operative	01141809784100	23,844	2,479
Kioge Girls High School	Co-operative	01141018453200	139,733	-
Nyatieko Asst. Chief's Office	Co-operative	01139017521202	2,476	-
Moneke Primary School	Co-operative	01141019667700	202,760	-
Mwechobori DEB Primary School	Co-operative	01117671429200	130,702	-
Nyabiyongo DOK Primary School	Co-operative	01141017082700	366,565	-
Nyamorenjo DEB Primary School	Co-operative	01109671377900	126,246	-
Nyosia Primary School	Co-operative	01141017519700	7,311	-

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PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance FY 2023/2024
Raganga DOK Primary School	Co-operative	01141018012000	87,187	-
Rwora DOK Primary School	Co-operative	01100423997900	352	-
St. Ambrose Nyaore Secondary School	Co-operative	01117017070201	2,003,890	-
Nyagisai Secondary School	Co-operative	01117017522300	220,825	-
Nyakeogiro Secondary Sc	Co-operative	01141477215200	52,320	-
Raganga Secondary School	Co-operative	01109808540100	1,291,048	-
RioterSecondary School	Co-operative	01117017073600	108,296	-
St. Ambrose Nyaore Sec	Co-operative	01141423995600	2,005,890	-
St. Clare Kioge Sec. School	Co-operative	01109671146600	189,733	-
St. Catherine Iranda Sec	Co-operative	01141017800800	107,060	-
KMTC Kisii	Co-operative	01117017075401	2,000	-
Bogusero Chief's Office	Co-operative	01117018195900	1,800,000	-
Kimwasi Primary School	Co-operative	01117017075101	1,010	-
Kanunda Primary School	Co-operative	01100019097601	177,000	-
Kioge Primary School	Co-operative	01117423532000	177,000	-
Sakawa Primary School	Co-operative	01117018527200	1,700	-
Kiogo Primary School	Co-operative	01117017522002	177,000	-
Nyanguru Primary School	Co-operative	01141670765300	2,780	-
Mwechobori Primary School	Co-operative	01117017519801	2,210	-

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PMC	Bank	Account number	Bank Balance FY 2024/2025	Bank Balance FY 2023/2024
Matieko Primary School	Co-operative	01117017519501	1,510	-
Nyamatuta Primary School	Co-operative	0113901784803	177,000	-
Keore Primary School	Co-operative	0114107521100	177,000	-
Rera Primary School	Co-operative	0110017265100	2,580	-
Nyabundo Primary School	Co-operative	0113901746105	177,000	-
Total			48,567,574	6,499,825

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.Funding of Devolved Government Functions	Included in other grants and transfers balance of Kshs. 48,567,233 is Kshs. 25,000,000 and Ksh. 600,000 allocated to water and agricultural projects respectively. However following the enactment of the NG-CDF Act, 2015 on 16 th February 2016, the management continued to fund functions meant for the County Governments contrary to section 24 of the Act which states that the projects under this Act shall be respect of works, services falling within the functions of the national government under the constitution.	The funded water projects and agricultural project during the financial year 2016/2017 were project balances which had been approved in the year 2015/2016 and earlier which were ongoing. The Committee is now in process of handing over completed	Not resolved	June 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>projects which fall under the county and at same time submit reports on incomplete devolve project so that the NG-CDF Board can make a decision on how the projects will be completed. the projects.</p>		
<p>1. Irregular use of Emergency</p>	<p>Included under grants and transfers balance of Ksh. 48,567,233 is Kshs. 4,048,540 which in turn includes non-emergency projects worth Kshs. 2,500,000 disbursed to fund emergency projects. However, projects worth Kshs. 2,500,000.00 did not qualify as emergencies in accordance with</p>	<p>It was the in the opinion of the committee that these projects were emergency projects, since leaving them at the state they were</p>	<p>Not resolved</p>	<p>June 2026</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Section 8(3) of the Act.	would have been more costly in the long run, some required roofing and leaving them as were the project would have been more vulnerable to heavy rains and other harmful weather conditions. This project was implemented as emergency projects as envisaged by Section 8(3) of the NG-CDF Act.		
Inaccuracies in Cash and Cash Equivalents	The statement of assets and liabilities reflects balances of Kshs. 44,541,016 as disclosed in Note 12	The documents are available for review.		June 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>to the financial statements. The balances comprise of Kshs. 14,541,016 and Kshs. 30,000,000 both held in commercial banks accounts. However, Cash book, bank reconciliation statement and board survey report to support the amount of Kshs. 30,000,00 were not provided for audit.</p> <p>Further, the bank reconciliation statement for the bank with a balance of Kshs. 14,541,016 reflects unrepresented cheques totalling Kshs. 6,186,230 out of which, cheques amounting to Kshs. 168,750 were stale and had not been reversed in the cashbook</p> <p>In the circumstance, the accuracy and completeness of cash and cash equivalent balance of Kshs. 44,541,016 could not be confirmed.</p>		Not resolved	
2. Unsupported Bursary	The statement of receipts and payments reflects other grants and	The receipts are now available for review.		June 2026

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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)
Disbursement	<p>transfers amount of Kshs. 73,759,851 as disclosed in Note 8 both the financial statement which includes bursary payments amounting to Kshs. 35,474,000 and Kshs. 23,710,995 disbursed to secondary schools and tertiary institution respectively. However, no acknowledgment letters from beneficiary institutions were provided for audit</p> <p>In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs. 59,184,995 could not be confirmed.</p>		Not resolved	
Unsupported Project Management Committee Balances	<p>Note 19.4 and ANNEX 5 to the financial statements reflects Project Management Committees (PMC) bank balance totalling Kshs. 1,040,184. However, the Cashbooks, bank reconciliation and certificates of bank balances</p>	<p>Find attached the Bank Statement of all PMC Accounts.</p>	Not resolved	June 2026

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>for the individual PMC accounts were not provided for audit</p> <p>In the circumstance, the accuracy and completeness of the PMC bank balances of Kshs. 1,40,184 could not be confirmed.</p>			
<p>3. Emphasis of Matter Budgetary Control and performance</p>	<p>The summary statement of appropriation reflects final budget and actual on comparable basis amounts of Kshs. 220,619,966 and Ksh. 162,532,363 respectively resulting to an underfunding of Ksh. 58,087,603 or 26% of the budget. Similarly, the fund spent Kshs. 177,991,347 against actual receipts of Kshs. 162,532,363 resulting to an under-utilization of Kshs. 44,541,016 or 27% of receipts</p> <p>Underfunding and underutilization affected the planned activities and may have</p>	<p>Delayed funding was because delay in receiving fund from the Board, whereas delay in project implementation was due to funds received late leading to procurement delay.</p>	<p>Not resolved</p>	<p>June 2026</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	impacted negatively on service delivery to the public.			
Late Disbursement of Funds	<p>The statement of receipts and payment reflects transfers from NG-CDF Board amounts of Kshs. 87,000,000 which includes an amount of Kshs. 42,000,000 received by the Fund in the month of June 2023.</p> <p>In addition, other transfers amounting to Kshs. 58,087,603 were disbursed by Board 2023/2024 out of the total budgeted funds for 2022/2023 financial year.</p> <p>Late Exchequer releases could have adversely effected the implementation of the planned activities and projects</p>	<p>Delayed funding was because delay in receiving fund from the Board, whereas delay in project implementation was due to funds received late leading to procurement delay.</p>	Not resolved	June 2026
4. Basis of Conclusion Delay in implementation of Projects	The statement of receipts and payments reflects transfers to other Government units amount of Kshs. 24,402,000 transferred to primary school and secondary	Contractors has been instructed to make good the areas which have not been done well before retentions		June 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>schools as disclosed in Note 7 to the financial statements. The amount includes and amount of Kshs. 12, 200,000 disbursed to fourteen (14) school projects towards construction and renovation of twenty eight (28) classrooms, construction of one (1) administration block and completion of two (2) laboratories. However, physical inspection in the month of March 2024 revealed that one of the laboratories were not complete ,finishing works had not started ,the contractor was not on site and the school had exhausted the funds. The other laboratory had pending tiling works and taps. In addition, fourteen(14) of the classrooms had cracked floors ,nine(9) had cracked or vandalized window panes while paint works and labelling had not</p>	<p>are paid</p>	<p>Not resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>been done in four(4) and six(6) of the classrooms respectively. Further ,four(4) of the incomplete schools projects had exhausted their funds and contractors of the three(3) schools had abandoned their sites In the circumstance, value for money on the expenditure of Kshs. 12,200,000 could not be confirmed.</p>			
Irregular utilization of Emergency Fund	<p>Statement of receipt and payments reflects an amount of Kshs. 73,759,851 in respect to other grants and transfers as disclosed in Note 8 to the financial statements. The amount includes emergency projects amount of Kshs. 2,190,000 out of which Kshs. 700,000 was utilized in completion of classrooms at St. Patrick's Secondary School while Ksh. 260,000 was utilized in the completion of dormitory at St.</p>	<p>The projects were indeed emergency in nature as per NGCDF Act.</p>	<p>Not resolved</p>	<p>June 2026</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Mary's Primary School. However, these expenditure were not emergency in nature and contravened Section 8(3) of the National Government Constituencies Development Fund Act 2015 (Amended 2022)			
Anomalies in Procurement of Furniture at Nyatieko Chief's Camp	The statement of receipts and payment reflects amount of Kshs. 73,759,851, in respect of other grants and transfers as disclosed in Note 8 to the financial statements. The amount includes Kshs. 9,652,600 for security projects out of which, an amount of Kshs. 450,000 was disbursed to Nyatieko Project Management Committee (PMC) for procurement of furniture. However, no specification were given on the design and type of furniture and furniture amounting to Kshs. 450,000 was purchased in cash contrary to Section 107 of	We have noted that the Project Management Committee (PMC) did not adhere to procurement law although they had been advised, they have alluded to the agency of purchase of furniture since the office was to be launched within a short period of time.	Not resolved	June 2026

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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)
	public procurement and Asset Disposal Act, 2015 and the items purchased were not taken on charge. In the circumstance, Management was in breach of the law.			

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Edwin Kimutai
 Fund Account Manager.

