

REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY
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DATE: 12 FEB 2026 *Thursday*

TABLED BY:	<i>Hon George Ngunjiri</i>
OF THE TABLE:	<i>On behalf of LOM. Kandla T.</i>

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
NAROK EAST CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

NAROK EAST 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.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

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;

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- 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 Narok East 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:

1.	AIE holder	Dennis Matundura
2.	National Sub-County Accountant	Joseph Mweru
3.	Chairman NGCDFC	Tapaiya Punyua
4.	Member NG CDFC	Lesinka Mututua

(c) Fiduciary Oversight Arrangements

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

P.O. Box 664-20500
NAROK EAST NG CDF Building
Junction – Nairekia Enkare Road
Narok, KENYA

(e) NGCDF Narok East Constituency Contacts

P.O. Box 664-20500
Telephone: (254) 722811542
E-mail: cdfnarokeast@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Narok East Constituency Bankers

1. Equity Bank. (Operations Account). *Narok East National Government Constituencies Development Fund*
Narok Branch
P.O. Box 1023-20500
Narok
2. Equity Bank. (Deposit account). *Narok East NG-CDF Deposit Account*
Narok Branch
P.O. Box 1023-20500
3. Equity Bank. (PMC Accounts)
Narok Branch
P.O. Box 1023-20500
Narok





(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. NG-CDF Committee

	<p>The Chairman is a Male adult representative from Mosiro Ward born on 22nd August 1978. He has served as Chairman from 2013. He has a degree on Theology</p>
<p>Tapaiya Punyua Chairman</p>	<p>Hanna is a Female Youth representative from Keekonyokie Ward. Born on 31st January 1994. She has served as a Secretary from 2023. She has a form four certificate</p>
	<p>Hanna Kusero Secretary</p>
	<p>Gladys is a Female adult representative from Keekonyokie Ward. Born on 30-10-1978 She served as a Secretary from 2017 to 2022 and now as a member to date. She has a form four certificate</p>
<p>Gladys Soitara Female adult representative</p>	<p>John is a Male adult representative from Ildamat Ward born on 1st January 1965. He has served as Member from 2023. He has a Primary School Leaving Certificate</p>
	<p>John Swakei Male adult representative</p>
<p>Lesinka is a representative of PLWDs from Suswa Ward born on 28th January 1983.</p>	

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 Lesinka Mututua PWD representative	<p>He has served as a member from 2023. He has a diploma in Business Management.</p>
 Oropi Meshuko Male youth representative	<p>Oropi is a youth representative from Suswa Ward born 17th December 1989. He has served as a member from 2023. He has a Primary School Leaving Certificate</p>
 Pilale Kashanga Female adult representative	<p>Pilale is a Female adult representative from Suswa Ward. Born on 1st January 1978. She has served as a member from 2023. She has a form four certificate</p>
 William Kabaka Co opted member	<p>William is NG-CDF Board Coopted Member from Mosiro Ward born on 11th January 1979. He has served as a member from 2023. He has a form four certificate.</p>

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Dennis Matundura
Fund Account Manager

Dennis is the Fund Account Manager serving Narok East NGCDF from February 2024



Musa Issa
Deputy County Commissioner

Musa is the Deputy County Commissioner serving Narok East Subcounty from August 2023

4. NG-CDFC Chairman's Report



Narok East Constituency is one of the six constituencies of Narok County.

There are four wards in the constituency namely Keekonyokie, Suswa, Mosiro & Ildamat. The Constituency's population stands at 115,323 according to Kenya Population and Housing Census 2019. The constituency covers 2,059.5 square kilometres.

Tapaiya Punyua

Chairperson, Narok East NG-CDFC

Constituency Allocations & Current Year Budget

Narok East NG-CDF over the last three years is as follows:

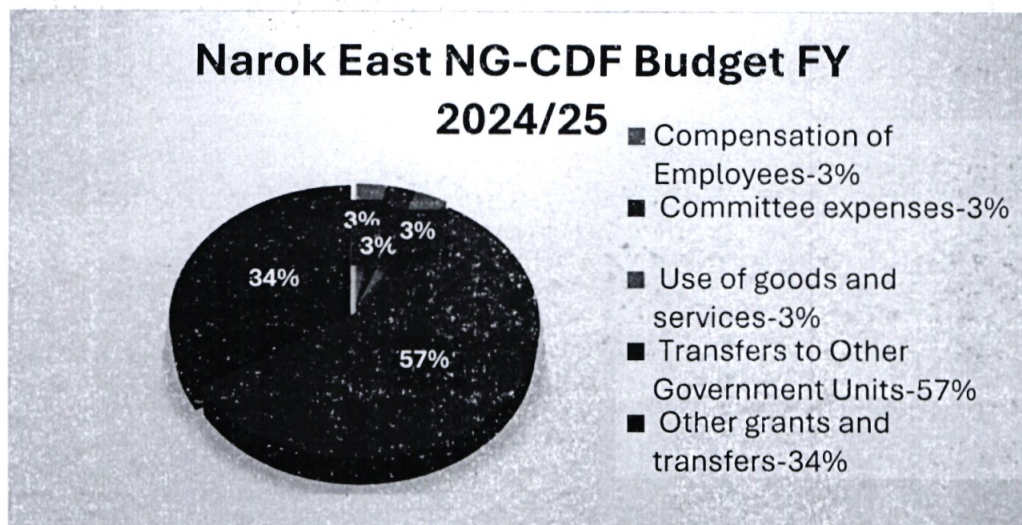
Financial year	2024/2025	2023/2024	2022/2023
Allocation	170,469,856.74	176,848,253	138,215,033

The current financial year allocation declined from ksh 176 million in previous year as a result of absence of ksh 10.2 million allocated by the Ministry of Education for Junior Secondary Schools infrastructure programme in 2023/24.

Original Budget

The budget for the current financial year stood at Kshs. 170,469,856.74. The budget was itemized as follows:

Item	Budget
Compensation of Employees	4,943,483
Committee expenses	4,898,803
Use of goods and services	5,500,000
Transfers to Other Government Units	96,600,000
Other grants and transfers	58,527,570
TOTAL	170,469,856



Funds Utilization by Sector

As depicted from the appropriation Statement, the original budget of ksh 170,469,857 was adjusted upwards with opening balances from the previous year and funds that was for previous financial year received in the current year. This pushed the final budget to 332,098,707 of which Kshs. 42,469,857 was not received from the NG-CDF Board as at the close of the financial year.

The Constituency was able to absorb Kshs. 207,860,633 which represents 63% of the budget. The main component in transfer to other government entities that is composed of secondary schools and primary schools, utilized (57%). Other grants and transfers included bursary, emergency and environmental allocation took 34%.

Others are use of goods services that utilized 3%, committee expenses 3% while compensation of employees 3%. The detailed report is found on budget execution section.

Key achievements during the year

The Constituency, during the year, implemented a few projects majorly because of slow cash flow from the NG-CDF Board. The projects included issuance of bursary which formed bulky of the implementation, transfer to other government entities and ICT Huduma Jitume Digital Centre. Two major projects stood out during the year:

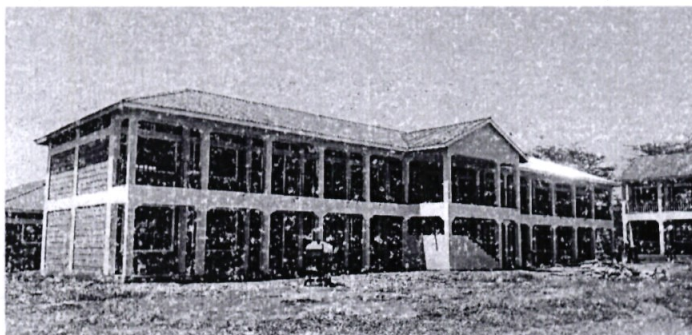
1. Oloirien Boys Secondary School: Tuition block

The project was allocated Kshs. 23,000,000 for tuition block for construction of 8 class storey tuition block. During the year under review, the project received ksh 12,000,000 being part of the entire funding. The project is now complete as illustrated by below photos:



Foundation for the Tuition block

The Completed Oloirien Double Tuition block:



Some of the other existing projects at Oloirien Boys:



Dining Hall

2. ICT Huduma Jitume Digital Centre

This project was planned and budgeted for in FY 2023/24 following the presidential directive regarding ICT digital centres. The project was funded to the tune of KShs 23,000,000. The project was implemented in financial year under review. Once completed, the project will bring Huduma services and ICT related opportunities under one roof. The project is designed to provide Narok East constituents with access to government services offered through Huduma centres. It will also provide the much needed access to internet hence enhancing job opportunities through digital platforms. The project requires additional funding in order to finish the Huduma centre wing.

Photos of Narok East Huduma Jitume Digital Centre:





Emerging issues and challenges

One of the major challenges is that the Constituency is vast and some of the roads are impassable especially when it rains. This makes monitoring of projects a difficulty exercise in some of the areas. The NG-CDF management is seeking partnership with other government entities responsible for establishment of access roads so that they help make all places accessible. Such government entities include Kerra.

Finally, Narok East NG-CDF management expresses gratitude towards the NG-CDF Board for their efficiency in handling issues in regards to projects approval, disbursement of fund and monitoring.

The other special thanks also go to the Office of the Auditor General for their every year input, especially advisory in our processes that have continuously improved our service delivery to the constituents.

.....
Name: Tapaiya Punyua
Chairman NG-CDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY 2024/2025

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 Narok East Constituency 2022-2027* plan are to:

- To mobilize more resources for community development.
- To improve safe water supply.
- To improve the health standards of the constituency.
- To improve infrastructure, especially schools and roads within the constituency.
- To build capacity of the community to implement development projects.
- Empower and training of youth

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:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	<ul style="list-style-type: none"> ✓ We constructed 18 Classrooms in primary schools ✓ We constructed 4 Staff houses in Primary Schools ✓ We constructed 10 Classrooms in secondary schools ✓ We constructed 1 Laboratories in secondary schools ✓ We constructed 2 Dormitories

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Constituency Program	Objective	Outcome	Indicator	Performance
				<ul style="list-style-type: none"> in secondary schools ✓ 3,175 students were issued with secondary school bursaries ✓ 1,368 students were issued with tertiary bursaries ✓ We constructed 1 Dining Hall in Secondary schools ✓ We completed 3 classrooms in secondary schools ✓ We constructed 1 pit latrine with 8 doors in secondary schools ✓ We renovated 12 classrooms in primary schools
Security	To have conducive working environment for security agencies	Increased construction of chief's office	Number of usable infrastructures	In FY 2024/25 we did not disburse security funds as we did not budget for the same.
Environment	To improve environment by carrying out environmental activities	Increased planting of trees both indigenous and fruit trees	Improved environment	In the FY 2024/25, we did not implement environmental projects due to delays of disbursement from NG-CDF Board but ksh 8,523,494 was allocated towards fencing, water harvesting & planting of trees in various schools.
Other projects- Huduma	To provide access to government	Increased access to government	Improved job access and services	The Huduma Jitume Digital Centre was budgeted for in FY

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Constituency Program	Objective	Outcome	Indicator	Performance
Jitume Digital centre	services and creation of online jobs	services and job opportunities		2023/24 but has been implemented in FY 2024/25
Disaster Management	To mitigate disasters through disaster management	Increased capacity building on disaster management	Improved awareness	Management has carried out FMC & NG-CDF staff capacity building to improve in the management of NG-CDF funds

6. Governance Statement

a) Appointment NG-CDF Committee members

The NGCDF Act 2015 and NG-CDF regulations 2020 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.

(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 seven 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.

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(9) 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.

(10) 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.

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

The current members were vetted into office in the month of March 2023.

The criteria that was used in the advertisement was as follows:

1. Applicants must be Kenyan citizens
2. Be residents voters in Narok East Constituency
3. Applicants must be able to read and write, be able to communicate in English and Kiswahili.
4. Applicants must meet the requirement of chapter six of the Constitution
5. Applicants should be available to participate in the activities of the committee
6. For youth nominee, must have attained the age of 18 years and below the age of 35 years.

The Selection panel had three meetings which resulted into submission of proposed committee members to NG-CDF Board for approval by the National assembly. The appointed committee members were gazzetted through Gazette volume number CXXV—No. 86 on 14th April 2023.

The following are the current members of Narok East NG-CDF:

No.	Name	Category	Ward
1	Tapaiya Olingashar Punyua	Man(Adult)	Mosiro
2	Hannah Nashipae Kusero	Woman(Youth)	Keekonyokie
3	Gladys Soittara	Woman(Adult)	Keekonyokie
4	William Kabaka	Coopted by the NG-CDF Board	Mosiro

5	Oropi Ole Matuiya Meshuko	Man (Youth)	
6	John Salaton Swakei	Nominee of Constituency Office (Male)	Ildamat
7	Pilale Ene Kashanga	Nominee of the Constituency Office (Female)	Suswa
8	Lesinka Mututua	Representative of persons with Disability	Suswa
9	Musa Salat Issa	Deputy County Commissioner	Narok East Subcounty
10	Dennis Matundura	Officer of NG-CDF Board	Narok East Constituency

b) Removal of NG-CDF Member

A member may be removed from the NG-CDFC on grounds laid down on section 43 (13) of NG-CDF act 2015, amended 2022 that include:

- (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 practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity

At least five members can make a written resolution citing the ground for removal then accords that member a fair hearing before submitting their resolution to the NG-CDF Board. There is no member in Narok East NG-CDF who has been removed from the committee on the above grounds.

c) Functions of the NG-CDFC

The functions of the NG-CDFC are drawn from NG-CDF act 2015, amended 2022 and they include the following:

- a) Build capacity of PMCs and sensitize community on the operations of the Fund;
- b) Consider projects from all wards and any other projects that the committee considers beneficial;
- c) Ensure that projects proposals submitted to the Board include detailed budget proposals, procurement plans and work plans

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- d) Consult relevant Government department to ensure that projects cost estimates are realistic;
- e) Rank projects proposals in order of priority while ensuring that ongoing projects take precedence;
- f) Ensure that projects receive adequate funding and are completed within three years;
- g) Monitor the implementation of projects;
- h) Ensure that projects report are prepared and submitted to the Board;
- i) Ensure formation of PMCs, opening of projects accounts, project implementation and closure of projects;
- j) Submit financial statements to the Board within sixty days of end of financial year;
- k) Recommend to the Board removal of a committee member;
- l) Enter into performance contract with the Board annually;
- m) Receive returns from PMCs;
- n) Receive and address all complaints concerning implementation of projects;
- o) Ensure that the Committee does not enter into commitments for which funds have not been allocated

d) NG-CDFC meetings

Section 43(11): The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings. NG-CDFC holds monthly meetings, deliberating all issues for the FAM to act on. Equally the subcommittees are active handling issues as mandated by the main committee.

During the financial year 2024/2025 the NG-CDFC Narok East held 15 main meetings as illustrated below;

	MEMBERS	05/07/24	15/07/24	04/09/24	17/10/24	13/11/24	04/12/24	15/01/25	18/01/25	05/02/25	21/02/25	12/03/25	11/04/25	20/05/25	04/06/25	20/06/25
1	Tapaiya Punyua-Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Hannah Nashipae Kusero-Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

e) Capacity building of NG-CDFC Members

In the financial year 2024/2025 NG-CDFC attended training organised by NG-CDF Board in Mombasa.

f) Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2024/2025 members of NGCDFC Narok East adhered to the above ethical issues.

g) Members' remuneration

NG-CDFC members are not entitled to payment of salary but sitting allowances as guided by the NG-CDF circulars. However, the chairperson of NGCDFC is entitled to an allowance of ksh7,000 per meeting and all other members an allowance of ksh.5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NG-CDF Act.

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

h) Disclose policy on conflict of interest

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

i) Risk management

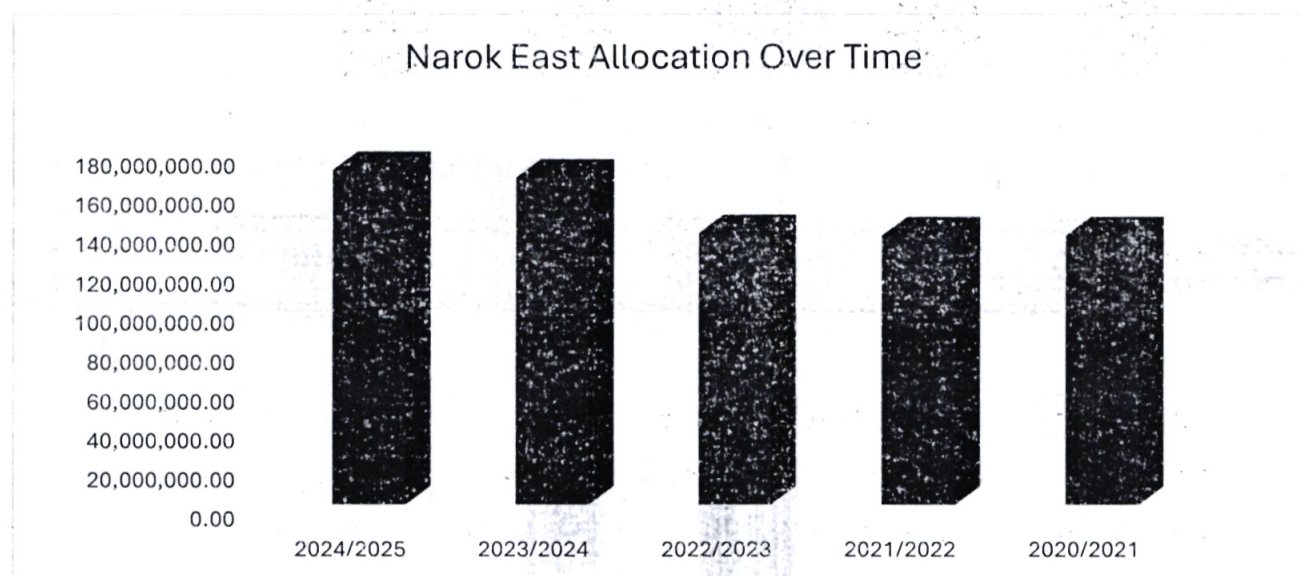
Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry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

Some of the risk mitigation strategies that NGCDFC Narok East has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 amended 2022 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

NG-CDF Narok East received a total allocation of ksh 749,456,368.05 in the financial years 2020/2021 to 2024/2025 out of which 57% was allocated to education projects in primary schools and secondary schools while average of 23% was allocated to bursary. On the other hand other sectors received 11% while administration and employee compensation took 9%. The table below shows annual allocation to the constituency in the past five years of operation.

S/NO	FINANCIAL YEAR	AMOUNT
1	2024/2025	170,469,856.74
2	2023/2024	166,593,720.00
3	2022/2023	138,215,033.00
4	2021/2022	137,088,879.00
5	2020/2021	137,088,879.31
		749,456,368.05



Narok East NG-CDF has prioritised education. As a result it has increased the number of secondary schools from 2 in FY 2013/2014 to 18 in FY 2024/25.

Narok East NG-CDF has also financed construction of Huduma Digital centre. The project is designed to provide Narok East constituents with access to government services offered through Huduma centres. It will also provide the much needed access to internet hence enhancing job opportunities through digital platforms The Huduma Digital centres is now at finishing stage:



Narok East NG-CDF has also planned implementation of tree planting in a secured area within institutions alongside water harvesting. This will help sensitize the community concerning afforestation which is very much needed in the area as it is also a government priority.

Name *Dennis Matundura*
Fund Account Manager

8. Environmental and Sustainability Reporting

Narok East has valued environmental issues and their sustainability. The NG-CDFC has strived to ensure good working environment that enables effective service to constituents. The following have been tackled:

1. Sustainability strategy and profile -

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

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

2. Environmental performance

The management of the fund at the constituency being cognizant of environmental conservation and protection through supporting community environmental initiatives has strengthened environment conservation and protection by ensuring increased tree cover and green spaces in our environment. Environmental conservation is now fully integrated in the NG-CDF activities where schools have been given tree seedlings to plant in their compounds, water harvesting in institutions, soil conservation activities, sewerage systems which includes septic tanks, toilets in schools and public spaces.

3. Employee welfare

We invest in providing the best working environment for our employees. Narok East 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. Narok East 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-

Narok East Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Narok East 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

Narok East 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.

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



.....
Name: Dennis Matundura
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-Narok East 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-Narok East 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- Narok East 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.

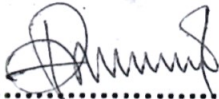
*National Government Constituencies Development Fund (NGCDF)
Narok East Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

The Accounting Officer in charge of the NGCDF Narok East 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.

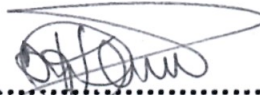
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Narok East Constituency financial statements were approved and signed by the Accounting Officer on 02/12/ 2025.



.....
Name: Tapaiya Punyua
Chairman – NGCDF Committee



.....
Name: Dennis Matundura
Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NAROK EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituency Development Fund - Narok East Constituency set out on pages 1 to 62, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Narok East Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023) and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/Prepared in accordance with accrual basis of accounting method under International Public Sector Accounting Standards (IPSAS). This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Inaccuracies in the Property, Plant and Equipment Balance

The statement of financial position reflects nil balances for property, plant and equipment for current and comparative periods as disclosed in Note 23 to the financial statements. Review of Annex 1 in respect of assets register in the current year and previous year audited financial statements revealed a balance of Kshs.29,843,002 that was not disclosed in the financial statements.

Further, Management did not provide the assets register detailing description, reference or identification numbers, date of acquisition, acquisition cost, location, nature and use, current status, and details of ownership documents for land, buildings, and transport equipment (including title deeds and logbooks). This was contrary to Regulation 136 of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, the accuracy and completeness of property, plant and equipment nil balance could not be confirmed and the Management was in breach of the law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituency Development Fund - Narok East Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amount on comparable amount of Kshs.332,098,707 and Kshs.289,628,850 respectively resulting in under-funding of Kshs.42,469,857 or 13% of the budget. Similarly, the Fund spent an amount of Kshs.207,860,633 against actual receipts of Kshs.289,628,850 resulting to an under-utilization of Kshs.81,768,217 or 28% of the actual receipts. Management attributed the underfunding and underutilization to low or delayed disbursement of funds from the National Constituencies Development Fund Board.

In the circumstances, the under-funding and under-utilization affected the planned activities and may have adversely affected service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion 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 year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Fund in 2024/2025 revealed that the following six (6) issues were not resolved:

No.	Financial Year	Audit Issue
1	2023/2024	Delay in disbursement of funds from the Board
2	2023/2024	Lack of Bursary Quarterly Reports

No.	Financial Year	Audit Issue
3	2023/2024	Lack of Risk Management Policy and Register
4	2023/2024	Unsupported Fuel, Oil and Lubricants Expenditure
5	2023/2024	Budgetary control and performance
6	2023/2024	Unresolved prior year matters 2024

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

During the year under review, the Fund had planned to implement thirty-eight (38) projects with a budget amount of Kshs.170,469,857. Three (3) projects were ongoing at various levels of progress and twenty-six (26) projects were complete. However, by the end of the financial year, nine (9) projects were yet to commence. Further, there was no climate change projects. Failure to complete the funded projects in the set timeframe is an indication that programs or activities were not implemented as planned thus not achieving the intended objective of improving service delivery of goods and services to the public.

In the circumstances, the residents of the Constituency may not get value for money incurred for the projects not implemented.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Bursary Quarterly Reports

The statement of financial performance reflects other grants and transfers actual expenditure amount of Kshs.56,733,801 as disclosed in Note 14 to the financial statements. Included in the expenditure, is bursary to secondary schools' and tertiary institutions amounts of Kshs.30,098,638 and Kshs.24,388,362, respectively. Review of the bursary payments vouchers revealed that Management did not prepare quarterly bursary reports on the effectiveness of the bursary program together with the list of the beneficiaries.

In the circumstances, failure to prepare quarterly bursary reports may result in inadequate monitoring and evaluation of the bursary programme, leading to weak accountability and inability to demonstrate whether the bursaries are awarded equitably and achieve the intended objectives.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal control 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 control, 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 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 overall 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

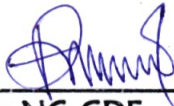
09 December, 2025

*National Government Constituencies Development Fund (NGCDF)
Narok East 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

Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,857
Expenses		
Employee costs	10	4,398,383
Committee expenses	11	6,363,429
Use of Goods and Services	12	4,251,000
Other Government Units Actual expenditure	13	124,124,309
Other Grants and Transfers Actual expenditure	14	56,733,801
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	19,853,318
Total expenses		215,724,240
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(45,254,382)

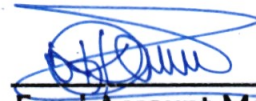
The Constituency financial statements were approved by the NGCDFC on 03/12/2025 and signed by:



Chairman NG-CDF
Committee
Name: Tapaiya Punyua



National Sub-County
Accountant
Name: Joseph Mweru
ICPAK M/No: 15711



Fund Account Manager
Name: Dennis Matundura

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

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


Assets			
Current Assets			
Cash And Cash Equivalents	19	81,768,217	103,544,311
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,469,857	58,084,539
Prepayments	22	-	-
Total Current Assets		124,238,074	161,628,850
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		124,238,074	161,628,850
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	7,141,963	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,804,110	1,082,466
Total Current Liabilities		8,946,073	1,082,466
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		8,946,073	1,082,466
Net Assets (A-B)		115,292,001	160,546,384
Represented by:			
Revaluation Reserves			
Accumulated Surplus		115,292,002	160,546,384
Total Net Assets		115,292,002	160,546,384

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

The Constituency financial statements set out on pages 2 to 5 approved by NG CDFC on 03/12/
2025 and signed by:



**Chairman NG-CDF
Committee**
Name: Tapaiya Punyua



**National Sub-County
Accountant**
Name: Joseph Mweru
ICPAK M/No: 15711



Fund Account Manager
Name: Dennis Matundura

National Government Constituencies Development Fund (NGCDF)
Narok East 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

As at 30th June 2024 (cash basis)	-	25,262,906	25,262,906
Adjustments: (to recognize assets and liabilities)			
Add Assets	-	135,283,478	135,283,478
Less Liabilities			-
As at July 1, 2024	-	160,546,384	160,546,384
Surplus/(Deficit) For the Period	-	(45,254,382)	(45,254,382)
Revaluation Gain/Loss		-	-
As at 30th June (current year)	-	115,292,002	115,292,002

Note:

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

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

	Note	Period ended 30 June 2025
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		186,084,539
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		186,084,539
Payments		
Employee costs		3,676,739
Committee expenses		6,363,429
Use of Goods and Services		4,251,000
Other Government Units Certified Works		119,027,174
Other Grants and Transfers		56,658,101
Digital Hubs Expenses		17,884,190
Total Payments		207,860,633
Net Cash Flows from/ (used in) Operating Activities	30	(21,776,094)
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		(21,776,094)
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		(21,776,094)
Cash and cash equivalents at Period Start	17	103,544,311
Cash and cash equivalents at Period End	17	81,768,218

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

National Government Constituencies Development Fund (NGCDF)
 Narok East 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 x 100
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	103,544,311	58,084,539	332,098,707	289,628,850	42,469,857	87%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,857	103,544,311	58,084,539	332,098,707	289,628,850	42,469,857	87%
Expenses							
Employee costs	4,943,483	2,091,933	-	7,035,416	3,676,739	3,358,677	52%
Committee expenses	5,096,708	1,603,560	-	6,700,268	6,363,429	336,839	95%
Use of Goods and Services	5,302,095	5,237,995	-	10,540,090	4,251,000	6,289,090	40%

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Other Government Units Certified Works	96,600,000	80,063,939	30,000,000	206,663,939	119,027,174	87,636,765	58%
Other Grants and Transfers	58,527,571	14,540,923	5,084,539	78,153,033	56,658,101	21,494,932	72%
Digital Hubs Expenses	-	-	23,000,000	23,000,000	17,884,190	5,115,811	78%
Funds Pending Approval**	-	5,961	-	5,961	-	5,961	0%
Total Expenditure	170,469,857	103,544,311	58,084,539	332,098,707	207,860,633	124,238,074	63%
Surplus for the period							

***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.*

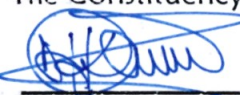
National Government Constituencies Development Fund (NGCDF)
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Explanatory Notes:

Most of the items were underutilized as a result of late disbursement of funds from the NG-CDF Board hence they would not be absorbed.

Description	Amount
Budget utilization difference totals	124,238,074
Less undisbursed funds receivable from the Board as at period 30th June, 2025	42,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	81,768,217

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 03/12/ 2025 and signed by:



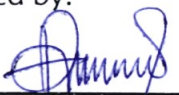
Fund Account Manager

Name: Dennis Matundura



National Sub-County Accountant

Name: Joseph Mweru
ICPAK M/No: 15711



Chairman NG-CDF Committee

Name: Tapaiya Punyua

National Government Constituencies Development Fund (NGCDF)
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16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,943,483	2,091,933		7,035,416	3,676,739	3,358,677
1.2 Committee allowances	2,734,708	1,091,560		3,826,268	3,722,729	103,539
1.3 Use of goods and services	2,550,000	3,592,282		6,142,282	2,555,300	3,586,982
Sub-total	10,228,191	6,775,775	-	17,003,966	9,954,768	7,049,198
2.0 Monitoring and evaluation						
2.1 Capacity building	1,352,095	1,098,970		2,451,065	885,000	1,566,065
2.2 Committee allowances	2,362,000	512,000		2,874,000	2,640,700	233,300
2.3 Use of goods and services	1,400,000	546,743		1,946,743	810,700	1,136,043

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Sub-total	5,114,095	2,157,713	-	7,271,808	4,336,400	2,935,408
4.0 Emergency				-		-
4.1 Unallocated funds	7,802,098	-	-	7,802,098		7,802,098
4.2 Olekoonyo primary school		450,000		450,000	448,226	1,774
4.3 Ereteti primary school		1,564,967		1,564,967	1,488,300	76,667
4.4 Ntulele Police Station		235,000		235,000	234,575	425
4.5 Oloirien Boys Sec School	1,170,000	-	-	1,170,000	-	1,170,000
Sub-total	8,972,098	2,249,967	-	11,222,065	2,171,101	9,050,964
5.0 Bursary and Social Security				-		-
5.1 Primary Schools				-		-
5.2 Secondary Schools	24,531,981	4,402,594	4,084,539	33,019,114	30,098,638	2,920,476
5.3 Tertiary Institutions	16,500,000	7,888,362		24,388,362	24,388,362	-
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-

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Sub-total	41,031,981	12,290,956	4,084,539	57,407,476	54,487,000	2,920,476
7.0 Environment				-		-
7.1 Olaimutiai Girls Secondary School	2,130,873			2,130,873		2,130,873
7.2 St.Anthonys Girls Secondary School	2,130,873			2,130,873		2,130,873
7.3 Olorien Boys Secondary School	2,130,873			2,130,873		2,130,873
7.4 Eor Ekule Secondary School	2,130,873			2,130,873		2,130,873
7.5 Narok East NGCDF Office			1,000,000	1,000,000		1,000,000
Sub-total	8,523,492	-	1,000,000	9,523,492	-	9,523,492
8.0 Primary Schools Projects				-		-
8.1 Osupuko Primary School	4,000,000			4,000,000		4,000,000
8.2 Oloshaiki Primary School	5,000,000			5,000,000	24,500	4,975,500
8.3 Olanka Primary School	4,500,000			4,500,000		4,500,000
8.4 Oloserian Primary School	1,100,000			1,100,000		1,100,000
8.5 Pamerua Primary School	3,000,000			3,000,000		3,000,000
8.6 Oloolturot Primary School	4,000,000			4,000,000		4,000,000

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8.7 Olosiro Primary School	3,000,000			3,000,000		3,000,000
8.8 Olosiro Primary School	1,000,000			1,000,000		1,000,000
8.9 Enkorinka Primary School	3,000,000			3,000,000		3,000,000
8.10 Enooseyia Primary School	5,000,000			5,000,000	3,227,568	1,772,432
8.11 Olkeri Primary School	3,000,000			3,000,000		3,000,000
8.12 Olesito Primary School	3,000,000			3,000,000		3,000,000
8.13 DEB Primary School	5,000,000			5,000,000	4,753,394	246,606
8.14 Enkushuai Primary School	3,000,000			3,000,000		3,000,000
8.15 Lelongo Primary School	3,000,000			3,000,000		3,000,000
8.16 Karuka Primary School	3,000,000			3,000,000		3,000,000
8.17 Duka Moja Primary School	3,000,000			3,000,000		3,000,000
8.18 Olosiro primary school		300,000		300,000	295,912	4,088
8.19 Osupuko primary school		300,000		300,000	299,000	1,000
8.20 Kikuyian Primary School (JSS NGCDF)			7,000,000	7,000,000	6,656,884	343,116
8.24 Ntemel Primary School (JSS MOE)			3,000,000	3,000,000	2,985,074	14,926

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15.1 Nambao Primary School		3,003,620		3,003,620	2,857,685	145,935
15.2 Sekerot Primary School		3,000,000		3,000,000	2,999,956	44
15.3 Namelok Primary School		3,000,000		3,000,000	2,849,313	150,687
15.4 Ilkirragerian Primary School		4,500,000		4,500,000	4,483,297	16,703
Sub-total	56,600,000	14,103,620	10,000,000	80,703,620	31,432,583	49,271,037
9.0 Secondary Schools Projects (List all the Projects)						
Enariboo Secondary School	8,000,000			8,000,000	40,000	7,960,000
Mosiro Secondary School	8,000,000	11,835,950		19,835,950	11,819,659	8,016,291
Dorobo Secondary School	4,000,000	9,000,000		13,000,000	7,909,978	5,090,022
Olaimutiai Girls Secondary School	8,000,000	1,000,025		9,000,025	999,725	8,000,300
Eor Ekule Secondary School	8,000,000			8,000,000	6,139,393	1,860,607
Sintakara Secondary School	4,000,000	5,000,000		9,000,000	4,747,343	4,252,657
St. Anthonys Girls Secondary School		251,010	8,000,000	8,251,010	7,852,982	398,028
Olorien Boys Secondary School		30,671,946	12,000,000	42,671,946	40,084,888	2,587,058
16.1 Enooseyia Secondary School		8,000,765		8,000,765	8,000,623	142

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16.2 Olesharo Girls Sec School		200,623		200,623		200,623
Sub-total	40,000,000	65,960,319	20,000,000	125,960,319	87,594,591	38,365,728
10.0 Tertiary institutions Projects (List all the Projects)				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects				-		-
				-		-
Sub-total	-	-	-	-	-	-
12.0 Acquisition of assets				-		-
12.1 Motor Vehicles (including motorbikes)				-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
Sub-total	-	-	-	-	-	-
13.0 Others				-		-
13.1 Narok East ICT Huduma Centre		-	23,000,000	23,000,000	17,884,190	5,115,811

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Sub-total	-	-	23,000,000	23,000,000	23,000,000	17,884,190	5,115,811
14.0 Funds pending approval**							
unapproved projects							
14.2 Fund deposited from pmcs -account closure		5,961			5,961		5,961
Sub-total	-	5,961	-		5,961	-	5,961
Total	170,469,857	103,544,311	58,084,539	332,098,707	207,860,633	124,238,074	

(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 Narok East Constituency principal activity is implementation of approved projects.

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 Narok East constituency has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement prepared under Transitional IPSAS Standards

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

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

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

3. Adoption of New and Revised Standards

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

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

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

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

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

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	<p>about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Not applicable</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not applicable</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not applicable</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <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 13th 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.

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.

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6. Transfers from the NGCDF Board

Description	Period ended June 2025
NGCDFB Transfers (Allocation for the FY)	170,469,857
TOTAL	170,469,857

7. Transfers from domestic and foreign partners

Description	Period ended June 2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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10. Employees cost

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	2,327,964
Personal allowances paid as part of salary	-
House Allowance	355,200
Transport Allowance	720,000
Leave allowance	32,000
Gratuity to contractual employees	721,644
Employer Contributions Compulsory national social security schemes	190,311
Employer Contributions Compulsory Housing levy	51,264
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	4,398,383

11. Committee Expenses

Description	Period ended June 2025
	Kshs
Sitting allowance	1,663,000
Other Committee expenses	4,700,429
Total	6,363,429

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12. Use of Goods and services

Description	Period ended June 2025
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	50,000
Domestic travel and subsistence	1,421,380
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	885,000
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	1,074,520
Fuel, oil & lubricants	600,000
Bank Charges	9,400
Routine maintenance – vehicles and other transport equipment	210,700
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	4,251,000

13. Other Government Units Actual expenditure

Description	Period ended June 2025
	Kshs
Primary Schools Actual expenditure	32,657,478
Secondary Schools Actual Expenditure	91,466,831
Tertiary Institutions Actual Expenditure	-
Total	124,124,309

14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Ksh
Bursary – secondary schools	30,098,638
Bursary – tertiary institutions	24,388,362
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	-
Climate change mitigation projects	-
Emergency projects Actual Expenditure	2,246,801
Roads projects	-
Others specify	-
Total	56,733,801

15. Depreciation and Amortization Expenses

Description	Period ended June 2025
	Ksh
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

Description	Period ended June 2025
	Ksh
Construction/ renovation/Actual Expenditure	19,853,318
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (specify)	-
Total	19,853,318

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening statement 31 July 2024
	Ksh	Ksh
Bank Accounts (Cash Book Bank Balance)		
Equity Bank, Account No. 0360261237642 (Operations account)	16,062,665	25,262,905
Operations account pending closure (Indicate name & account no.)	-	-
Equity Bank, account No. 0360285470010 (Deposit account)	1,804,110	1,082,466
PMC account balances	63,901,442	77,198,939
Total	81,768,217	103,544,310
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
[Provide Cash Count Certificates for Each]		

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

20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	Opening Statement 31 July 2024
	Kshs	Kshs
Transfers from NGCDFB	42,469,857	58,084,539
Outstanding imprest	-	-
Total	42,469,857	58,084,539

Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 31 July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	42,469,857	100%	58,084,539	
Between 1- 2 years		0%	-	
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	42,469,857	100%	58,084,539	0%

22. Prepayments

Description	Period ended June 2025	Opening Statement 31 July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

23. Property, Plant and Equipment

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

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Valuation

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

22 b) Property, Plant and Equipment at Cost

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

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

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

	Cost	Accumulated Depreciation	Net Book Value
Plant and Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture and Fittings	-	-	-
Total	-	-	-

24. Intangible Assets

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

25. Right-of use assets

Description	Machinery	Plant	Equipment	Total
Cost				
As At 1 July 2023(Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
Accumulated Depreciation				
As At 1 July 2023 (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024 (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
Carrying Amount				

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

26. Trade and Other Payables

Description	Period ended June 2025			
	KSh			
Trade payables	-	-	-	-
Employee payables	-	-	-	-
Other payables	-	-	-	-
Total trade and other payables	-	-	-	-
Aging analysis: (Trade and other payables)	<i>Period ended June 2025</i>	% of the Total	<i>1st July 2024</i>	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

27. Third-Party deposits

	Period ended June 2025 Kshs	Opening Statement 1st July 2024 Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	9,259,255	-
Retention paid during the period (C)	2,117,292	-
Closing Retention as at period D= A+B-C	7,141,963	-

Retentions aging analysis.

	Period ended June 2025	% of the total	Opening statement 1st July 2024	% of the total
Less than 1 year	7,141,963	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	7,141,963		-	

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

28. Lease Liabilities

Description	Period ended June 2025 Kshs	Opening Statement 1st July 2024 Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

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Maturity Analysis

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

Analysed as:

Description	
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Period ended June 2024
Gratuity at the beginning of the period (A)	1,082,466	-
Gratuity held during the period (B)	721,644	1,082,466
Gratuity paid during the period (C)	-	-
Total Gratuity provision D=(A+B-C)	1,804,110	1,082,466

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	(45,254,382)
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(15,614,682)
Changes in deferred income	-
Changes in Third party deposits	(7,141,963)
Changes in gratuity provision	(721,644)
Changes in payments received in advance	-
Net cash flow from operating activities	(21,776,094)

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

31. Financial Risk Management

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

*National Government Constituencies Development Fund (NGCDF)
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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	Carrying amount KSh	Carrying amount Euro	Net amount KSh	Net amount Euro
As at 30th June (Current FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	42,469,857	42,469,857	-	-
Bank balances	81,768,217	81,768,217	-	-
Total	124,238,074	124,238,074	-	-
As at 30 June (Previous FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	58,084,539	58,084,539	-	-
Bank balances	103,544,310	103,544,310	-	-
Total	161,628,849	161,628,849	-	-

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
As at 30th June (Current FY)				
Trade payables			7,141,963	7,141,963
Current proportion of borrowings				
Provisions				
Deferred income				
Gratuity Provision			1,804,110	1,804,110
Total			8,946,073	8,946,073
As at 30th June (Previous FY)				
Trade payables				
Current portion of borrowings				
Provisions				

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Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
Deferred income				
Employee benefit obligation			1,082,466	1,082,466
Total			1,082,466	1,082,466

iii) Market risk

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

a) Foreign currency risk

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

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

iv) Capital Risk Management

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

Description	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	115,292,002	160,546,384
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	115,292,002	160,546,384
Total Borrowings	-	-
Less: Cash and Bank Balances	81,768,217	103,544,311
Net Debt/(Excess Cash And Cash Equivalentents)	33,523,785	57,002,073
Gearing		

32. Related Party Disclosures

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,663,000	1,076,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	186,084,539	169,978,747
Total	187,747,539	171,054,747

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	Period ended June 2025	Opening Statement 1 July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	20,000,000	-	-	20,000,000
Transport equipment	6,200,000	-	-	6,200,000
Office equipment, furniture and fittings	3,500,002	-	-	3,500,002
ICT Equipment, Software and Other ICT Assets	143,000	-	-	143,000
Other Machinery and Equipment				
Intangible assets				
Total	29,843,002			29,843,002

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

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

Account Name	Name of Bank	Account Number	Balance as at 30th June, 2025	Opening statement 1st July 2024
Enooseyia Secondary School PMC	Equity Bank Limited	0360268368835	142.00	8,000,765
Nambao Primary School PMC	Equity Bank Limited	0360271472126	145,935	3,003,620
Olesharo Girls Sec School PMC	Equity Bank Limited	0360278752805	200,623	200,623
Oloirein Boys Secondary School PMC	Equity Bank Limited	0360279605328	3,757,058	30,671,946
St Antonys Secondary School PMC	Equity Bank Limited	0360281425080	398,028	251,010
Mosiro Secondary School PMC	Equity Bank Limited	0360284631807	16,291	8,335,950
Olaimutiai Girls Sec School PMC	Equity Bank Limited	0360284799280	8,000,300	1,000,025
Dorobo Secondary School	Equity Bank Limited	0360285489453	1,090,022	9,000,000
Sekerot Primary School	Equity Bank Limited	0360285494404	44.00	3,000,000
Namelok Primary School	Equity Bank Limited	0360285494388	150,687	3,000,000
Ereteti Primary School	Equity Bank Limited	0360285489504	76,667	1,000,000
Ntulele Police Station	Equity Bank Limited	0360285489271	425.00	235,000
Sintakara Secondary School	Equity Bank Limited	0360285490131	252,657	5,000,000
Ilkirragarien Primary School	Equity Bank Limited	0360285511795	16,703	4,500,000
Kikuyian Primary School	Equity Bank Limited	0360282809966	343,116	

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Ntemel Primary School	Equity Bank Limited	0360281413087	14,926	
Osupuko Primary School	Equity Bank Limited	0360285973497	4,001,000	
Olosiro Primary School	Equity Bank Limited	0360266294896	4,004,088	
Oleekoonyo Primary School	Equity Bank Limited	0360281276158	1,774	
Narok East ICT Huduma Jitume Digital Center	Equity Bank Limited	0360186192709	5,115,811	
Eor Ekule Sec School	Equity Bank Limited	0360286297759	1,860,607	
DEB N/Enkare Primary School	Equity Bank Limited		246,606	
Enooseyia Primary School	Equity Bank Limited	0360286458307	1,772,432	
Oloshaiki Primary School	Equity Bank Limited	0360286430207	4,975,500	
Lelongo Primary School	Equity Bank Limited	0360286504685	3,000,000	
Farmerua Primary School	Equity Bank Limited	0360286490510	3,000,000	
Duka Moja Primary School	Equity Bank Limited	0360286541050	3,000,000	
Enkorika Primary School	Equity Bank Limited	0360286547838	3,000,000	
Olanka Primary School	Equity Bank Limited	0360286491527	4,500,000	
Karuka Primary School	Equity Bank Limited	0360286596234	3,000,000	
Enaroboo Secondary School	Equity Bank Limited	0360286489862	7,960,000	
Total			63,901,442	77,198,939

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
OAG/NRO/NGCDF-NAROK EAST/2023/2024/(12)	<p>Delay in Disbursement of Funds from the Board</p> <p>Summary statement of appropriation reflects transfers from National Government Constituencies Development Fund Board amount of Kshs.214,075,373. However ,the amount of Kshs.214,075,373 includes Kshs.44,096,626 or 21% of total receipts being an opening balance during the year while Kshs.51,220,994 relates to funding for the financial year 2022/2023.This is contrary to Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which states that the disbursement of funds to the Constituency Fund account shall be effected at the beginning of the first quarter of each financial year with an initial amount</p>	Delayed receipt of funds by the board from exchequer led to untimely disbursement of funds to the constituency.	Resolved	Not applicable

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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>equivalent to twenty-five per centum of the allocation for the constituency and thereafter the Constituency Fund account shall be replenished in three equal instalments at the beginning of the second, third and fourth quarters of the financial year. Further Section 40(1) which stipulates that the Board shall ensure that the list of projects forwarded to it by each constituency is, upon approval, funded in accordance with the Act.</p> <p>In the circumstances, the Board was in breach of the law</p>			
	<p>Lack of Bursary Quarterly Reports</p> <p>The statement of receipts and payments reflects other grants and transfers amount totalling Kshs.68,517,409 as disclosed in Note 8 to the financial statements. Included in this amount are bursaries to secondary schools and</p>	<p>Quarterly Reports are sent to M&E Davison of the NG-CDF Board on 15th of every quarter hence the bursary reports were sent</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>tertiary institutions amounts of Kshs.40,791,338 and Kshs.23,411,010 respectively.</p> <p>Review of the bursary payment vouchers revealed that Management did not prepare quarterly bursary reports on the effectiveness of the bursary programme together with the list of the beneficiaries. This was contrary to Paragraph g (i & ii) page 6 & 22 of NG-CDF Board circular referenced NGCDFB/CEO/BOARDCIRCULARS Vo.II (021) on Guidelines for administration of Education bursary scheme requiring Fund Manager to submit quarterly reports to the Board by 12th day of the ensuing month in the format provided in Annex 4 of the circular.</p> <p>In the circumstances, Management was in breach of the law.</p>			
	<p>Lack of a Risk Management Policy and Risk Register</p> <p>The Fund does not have a risk management policy that guides on assessment and</p>	<p>The NG-CDF Board developed a risk</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>evaluation of risk and to develop the strategies to mitigate them. This is contrary to Regulation 165(1) of the Public Finance Management Act (National Government) Regulations, 2015 which require the Accounting Officer to ensure that the National Government entity develops risk management strategies, which includes fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.</p> <p>In the circumstances, it was not possible to confirm whether the risks faced had been identified and appropriately mitigated.</p>	<p>management policy which was cascaded to constituencies as well as a risk enterprise system in which all risks have been captured which the Fund Manager attests to every quarter</p>		
	<p>Unsupported Fuel, Oil and Lubricants Expenditure</p> <p>The statement of receipts and payments reflects use of goods and services amount of Kshs.6,424,372 as disclosed in Note 6 to the financial statements. Included in the amount, is fuel, oil & lubricants amount of Kshs.450,000. However, the</p>	<p>The accountable documents for fuel were kept separately from the voucher but</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe: (By a date when you expect the issue to be resolved)
	<p>expenditure was not supported by fuel registers, work tickets, detailed orders, local service orders and statements of consumption from the contracted suppliers.</p> <p>In this circumstance, the accuracy and fair statement of fuel, oil and lubricants amount of Kshs.450,000 could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund-Narok East 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.</p>	<p>have been duly filed</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects final receipts budget and actual amount on comparable of Kshs.272,165,873 and Kshs.214,081,334 respectively resulting in underfunding of Kshs.58,084,539 or 21% of the budget. Similarly, the Fund spent a total amount of Kshs.188,818,428 against actual receipts of Kshs.214,081,334 resulting to an under-utilization of Kshs.25,662,906 or 12% of the actual receipts.</p>	<p>The Funds were received in the current financial year and have been absorbed as approved</p>	<p>Resolved</p>	
	<p>Unresolved Prior Year Matters</p> <p>Various prior year audit issues remained unresolved. Management has not provided reasons for the delay in resolving the prior year audit contrary to Section 149(2)(1) of the Public Finance Management Act, 2012 which requires accounting officers designated for National Government entities to try to resolve any issues resulting from an audit</p>	<p>The matters have been resolved but awaiting clearance from DFAC</p>	<p>Unresolved</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)
	that remain outstanding. The issues therefore remain outstanding as shown in the report on progress on follow up of auditor recommendations as no evidence has been presented for their resolution.			



Name Dennis Matundura
 Fund Account Manager.