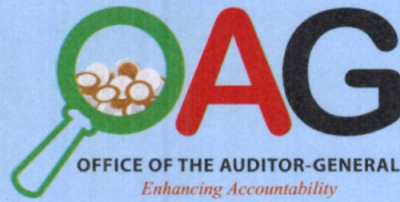



REPUBLIC OF KENYA



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 <b>THE NATIONAL ASSEMBLY</b> PAPERS LAID <b>REPORT</b>	
DATE: 11 FEB 2026	DAY: Wednesday
TABLED BY:	Hon. (Dr.) Robert Pukose on behalf of leader of Majority
CLERK-OF-THE-TABLE:	W. Njale

**THE AUDITOR-GENERAL**

**ON**

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

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



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**TONGAREN CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2025**

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**Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements**

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## **1. Acronyms and Definition of Key Terms**

### **A. Acronyms**

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

### **B. Definition of Key Terms**

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

**Comparative Year-** Means the prior period.

## **2. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;

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

### **Vision**

Equitable Socio-economic development countrywide.

### **Mission**

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

### **Core Values**

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

## **Functions of NG-CDF Committee**

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

### **(b) Key Management**

The NGCDF Tongaren 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 30<sup>th</sup> June 20XX and who had direct fiduciary responsibility were:

	<b>Designation</b>	<b>Name</b>
1.	AIE holder	Joyce Wanjala
2.	National Sub-County Accountant	Dennis Majani
3.	Chairman NGCDFC	Joseph Edward Waliaula
4.	Member NG CDFC	Linety Munialo Musundi

### **(c) Fiduciary Oversight Arrangements**

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

P.O. Box 214, Naitiri  
NG CDF Buiding  
Bungoma North sub county headquarters compound  
Mukuyuni market, KENYA.

**(e) NGCDF Tongaren Constituency Contacts**

Telephone: (254) 722245551  
E-mail: [cdfTongaren.go.ke](mailto:cdfTongaren.go.ke)  
Website: [www.ngcdfTongaren.go.ke](http://www.ngcdfTongaren.go.ke)

**(f) NGCDF Tongaren Constituency Bankers**

1. Bank A. The cooperative Bank, Kimilili(01141470213900). Branch  
P.O. Box 552 – 50204, Bungoma.
2. Bank B. The cooperative Bank, Kimilili(Deposit account). Branch  
P.O. Box 552 – 50204, Bungoma.

**(g) Independent Auditor**




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

**(h) Principal Legal Adviser**





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

3. NGCDF Committee


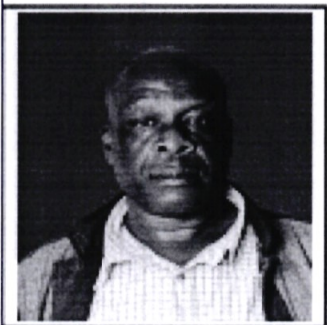

(provide details for all the NG CDFC members in the format below)

Details	
 <p><b>Joseph Edward Waliaula</b> Representing Male adult</p>	<p><i>Provide a concise description of each member's date of birth, key academic and professional qualifications, and work experience.</i></p> <p>Date of Birth:01/01/1957 Academic Qualification: East African certificate of education, advanced certificate of education, Diploma in resource management Professional qualification: Teaching Work experience: Deputy head teacher (1984-1987), head teacher (1988-1992), Because of his exemplary work as a teacher, he was promoted to the status of Teachers advisory Centre Tutor (TAC) or curriculum development officer (1997-2000). Because of unavoidable reasons, he resigned as a TAC tutor. Because of his hard work he was again deployed as a head teacher. He was promoted vertically as an approved teacher1 (ATS1) until he retired in 2017. He was appointed as the Chairperson of Tongaren NGCDFC in the year 2022.</p>
 <p><b>Linety Musundi Munialo</b> Female adult</p>	<p>Date of Birth: 02/02/1982 Academic qualification: Form 4 Professional qualification: Currently pursuing office administration certificate level (2024-2025) Work experience: Agribusiness (2016-2025),NGCDFC Secretary (2022 to date)</p>
 <p><b>Gilbert Wekesa Sitati</b> Constituency nominee</p>	<p>Date of Birth:24/10/1970 Academic qualification: Certificate in General agriculture. Professional qualification: Trained on paralegal activities, project management monitoring and evaluation, rapid disaster management and prevention, leadership and resource management. Work experience: World bank project in western flood mitigation in Kenya for 8 years, Secondary school Agriculture teacher for 3 years, and secondary school board of governor in several schools.</p>

**National Government Constituencies Development Fund (NGCDF)  
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 <p><b>Phanice Wekesa</b> Constituency nominee</p>	<p>Date of Birth:12/07/1974 Academic qualification: Certificate in dressmaking. Professional qualification: Dress making, Tailoring, embroidery and knitting, Networking and community development, Agribusiness, home based care and mobilization of resources and community development. Work experience: worked at Nairobi international trade at Jamuhuri park (2005-2008), worked at Kikuyu Nursing home as a sub-ordinate staff (2009-2012), currently a human rights activist in Mbakalo ward.</p>
 <p><b>Anthony Khisa Wekesa</b> Member</p>	<p>Date of Birth:02/02/1982 Academic qualification: Certificate in automotive engineering Professional qualification: Automotive engineering (2004-2006). Driving Work experience: Driver (2019to date), Two years as a member NGCDFC Board.</p>
 <p><b>Florence Afandi Savonge</b> Female adult</p>	<p>Date of Birth:07/04/1970 Academic qualification: Certificate in computer packages Professional qualification: Work experience: Farming</p>
 <p><b>Wendy Wanyonyi</b> Representing Female youth</p>	<p>Date of Birth:21/02/1995 Academic qualification: Diploma in social work Professional qualification: Social worker Work experience:ECDE teacher(2021),Supermarket customer attendant in the year 2022 before being appointed as a member at NGCDFC Board the same year.</p>

**National Government Constituencies Development Fund (NGCDF)  
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 <p><b>Augustine Wanyela Barasa</b> Representing male youth</p>	<p>Date of Birth:12/11/1994 Academic qualification: Certificate in health records and information technology. Professional qualification: Records officer Work experience: 2020 worked at Makutano Health Centre Brigadier as a health record officer and NHIF clerk before being appointed as a member at Tongaren NGCDF Board.</p>
 <p><b>Martin Muriithi</b> Dcc</p>	<p>Date of Birth: 11/24/1967 Academic qualification: Post-Graduate Diploma In education(1996-1998), Bachelor Of Arts Honors(1990-1994) Professional qualification: Work experience: DO/ACC (2003-2016), Dcc Tongaren sub county (2016-2018), Dcc Wajir West, Wajir County (2018-2023), Acting Director (State Department Of Public Works) (2023-2024), Acting director ministry of higher education (2024),Dcc Bungoma North subcounty (2024 to date).</p>
 <p><b>Fund Account Manager</b> Ex-official member</p>	<p>Date of Birth: 05/11/1984 Academic qualification: MBA Finance Professional qualification: Accountant Work experience: 15 years as a Fund Account Manager</p>

#### **4. NG-CDFC Chairman's Report**



##### **Mr. Joseph Waliaula**

I am pleased to present the unaudited financial statements for Tongaren Constituency for the financial year ended 30<sup>th</sup> June 2025. During the year, the Constituency was allocated a total of Kshs 188,414,052 as normal allocation.

With the above allocations, Tongaren National Government Constituencies Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2022, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency. It is noteworthy that during the FY 2024/2025, we received 76.4% of the normal Constituency funding equivalent to Kshs **144,000,000** and these funds were then disbursed to projects accordingly.

##### **Sector Prioritization**

During the year, a total of Kshs 91,290,258 was allocated as transfers to other Government Units which consist of transfers to primary schools, secondary schools and tertiary institutions and 60,000,000 for bursaries to secondary schools, tertiary institutions and special schools. The remaining funds were allocated to administration, M&E, security and emergency.

##### **Sectorial Analysis of Funding**

Over the past 10 years, the Constituency has received a total of over Kshs 900M which were subsequently been disbursed to various projects in such sectors as education, security, in addition to the statutory ,bursary, emergency, sports, environment, administration and monitoring and evaluation votes. The funding has benefitted over 600 projects and the breakdown in terms of the number of projects funded in these leading sectors over the last two years is as hereunder provided;

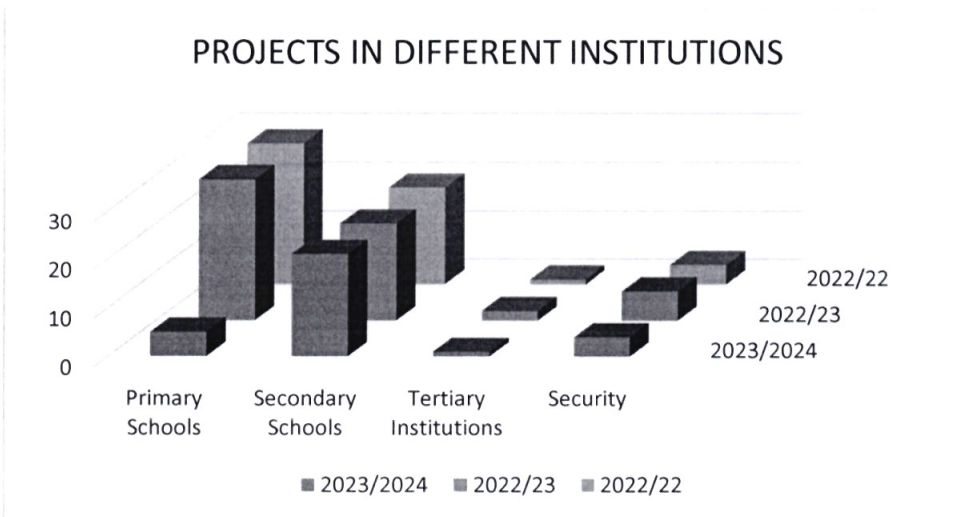
**National Government Constituencies Development Fund (NGCDF)**  
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Sector	2023/2024	2022/2023	2021/22	2020/21	Total
Primary Schools		5	29	29	
Secondary Schools		21	20	20	
Tertiary Institutions		1	2	1	
Security		4	6	4	
<b>Total Number Funded</b>		<b>31</b>	<b>54</b>	<b>54</b>	

Sector	PERCENTAGE OF PROJECTS FUNDED PER SECTOR
Primary Schools	49%
Secondary Schools	41%
Tertiary Institutions	3%
Security	8%

**Source: Tongaren NGCDF Records (2022)**

It is therefore notable that within the education sector, primary schools have realized the highest number of projects funded in the Constituency followed by secondary schools, security and finally tertiary institutions. Overall, the ranking based on highest number projects funded over the period is has primary Schools as the leading sector followed by secondary Schools, security and finally tertiary Institutions.



***National Government Constituencies Development Fund (NGCDF)  
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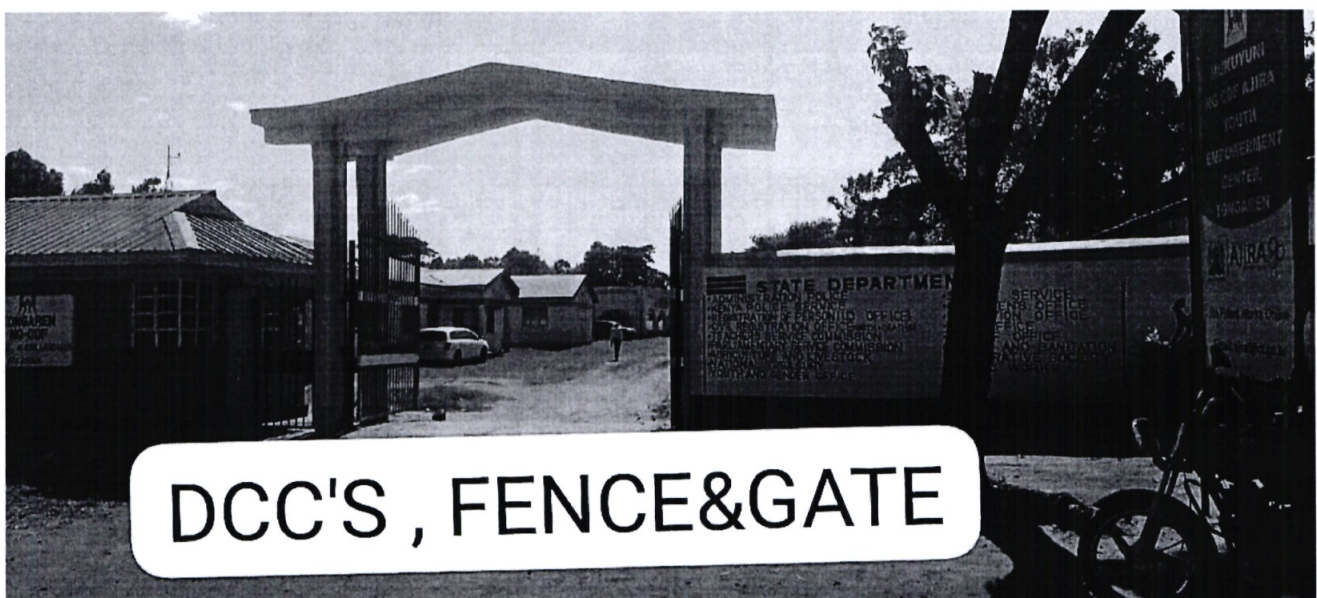
The NG-CDF (Amendment) Act 2016 introduced a major shift in the scope of projects eligible to be funded. Under this Act only projects falling within the functions of the National Government as outlined in the Constitution of Kenya 2010 will be funded. This effectively means that the Fund has since been concentrating primarily on education, security, sports and environment sectors as well as other national government residual functions.

**Achievements and Major Undertakings**

During the year, the Committee disbursed a total of Ksh's **55,345,307** as bursary to needy students in secondary, tertiary institutions and special institutions and this benefitted over 5000 students. Major physical facilities funded are infrastructure such as classrooms, twin laboratories, dormitories, and libraries. The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low-income families.

**Major undertakings**

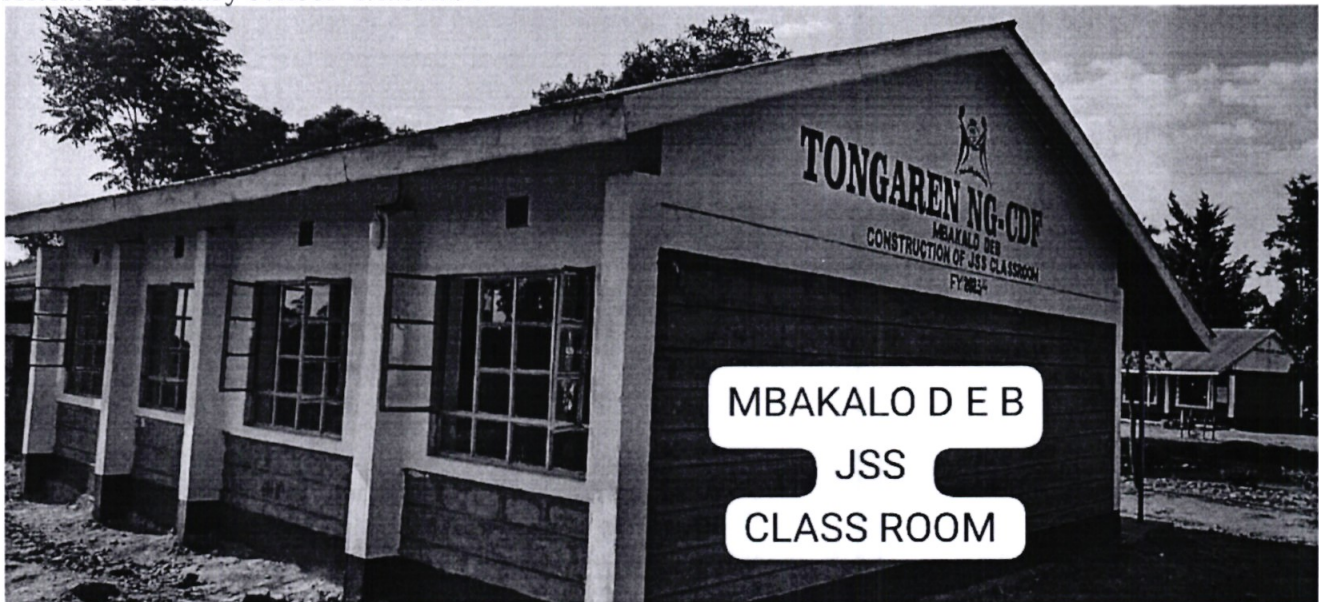
- A follow up to be made to all ongoing projects which are slow in implementation to ensure all projects are completed as scheduled.
- All projects with challenges a follow up to be made to ensure that the issues are resolved to allow the implementation of the projects to continue.
- All projects which are completed should be commissioned officially and handed over to the respective departments.
- The contractor's to ensure that they comply with the terms of agreement



Complete fence and gate at Bungoma North Dccs compound



Friends Secondary School- Musembe



Construction of 1 no. JSS Classroom at Mbakalo DEB primary school



Complete dining hall at Bishop Atundo Girls Secondary School

### **Emerging Issues**

There aren't much issues witnessed by NGCDFC Tongaren during the financial year except for the rollout of new curriculum, the Competence Based Curriculum. This new curriculum has brought major changes especially on project implementation that is geared towards meeting the standards set out by CBC. The NGCDFC has welcomed the new curriculum and offers to support where necessary to ensure that each and every child's right to education is protected.

### **Challenges**

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2023/2024. These encompass failure by some project management committees to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed.

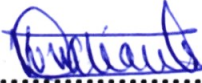
### **Way forward**

To mitigate the above, the committee during the year 2024/2025 scaled up its capacity building programmes for NGCDF Committee, Project Management Committees and NGCDFC staff on various aspects of NGCDF projects management. These programmes contributed to minimizing the challenges and improved overall performance by Project Management Committees. The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2024/2025. We have also engaged technical officers from Bungoma County comprising of Supply Chain Management officer and Public works officers. This has greatly helped improve on compliance as far as procurement laws are concerned.

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I therefore wish to sincerely thank the NGCDF Committee, NG-CDFC staff, Project Management Committees, technical officers and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions even performing better and attaining better assessments in its performance targets for FY 2024/2025.



.....  
**Joseph Edward Waliaula**  
**Chairman NGCDF Committee**

## 5. Statement of Performance Against Predetermined Objectives for FY2024/25

### Introduction

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

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

1. *To increase school enrolment by 30% per year across all levels of education.*
2. *To achieve 100% of enrolled learners retained in school to completion.*
3. *To achieve 70% of youths acquiring tertiary education locally.*
4. *To empower the administration and security offices.*
5. *To empower youths through sporting activities and equitable creation of business opportunities.*

### 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:

<b>Sector</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2024/25 -we increased number of classrooms/dormitories/laboratories etc from ... to... in the following schools/institutions -Bursary beneficiaries at all levels were as per the attached schedules</i>
Security	Security	Equip, facilitate and enhance capacity of provincial administration	Develop and enhance provincial administration and other security organs infrastructure to	Number of usable physical infrastructure built in locations, sub locations and police stations

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

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		and other security organs in order to improve service delivery	enhance service delivery	
Climate change mitigation activities	Environment	Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	In the financial year 2024/25 there is an Increase in the number of trees being planted in the constituency and increase in the numbers of water tanks installation in our institutions
Emergency	Emergency	Enhance the disaster management programme	Enhanced disaster management exercise	Number of fire extinguishers, and exit doors and windows

## **6. Governance Statement**

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

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

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

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

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

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

### **a) NG CDFC Process of appointment**

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

1. There is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of;
  - a) The national government official responsible for co-ordination of national government functions.
  - b) Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment

- c) Two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
  - d) One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
  - e) Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
  - f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
  - g) One member co-opted by the Board in accordance with regulations made by the Board
3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

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

The current NG-CDFC members were gazetted in Kenya via the gazette notice Vol.CXXIV-No.266 of 9<sup>th</sup> December, 2022 and the first meeting was held on 13/12/2022 at the NG CDF Boardroom.

The persons appointed are drawn from different groupings as follows:

- Male Adult- Joseph Edward Waliaula -Chairman
- Male youth – Augustine Wanyela Barasa - Member
- Female adult—Florence Afandi - Member
- Female youth—Wendy Wanyonyi - Member
- PWD REP—Anthony Khisa Wekesa - Member
- Co-opted Member—Phanice Wekesa - Member
- Nominee of constituency Office—Linety Munialo Musundi - Secretary
- Nominee of constituency Office—Gilbert Wekesa Sitati - Member

The term of the NG CDFC members came to an end in December 2024. However, the term will expire upon the gazettelement of the new committee members.

**b) NG CDFC Tenure**

Members of the NG CDF, except ex-officio members, hold office for a term of two years but are eligible for reappointment for one further term.

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

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The maximum number of terms a member can serve is two consecutive terms, meaning a total of four years.

**c) The role of the Constituency Committee are;**

- I. Build the capacity of project management committees and Committee.
- II. Sensitize the Community on the operations of the Fund;
- III. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- IV. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016 ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- V. Consult with relevant government departments to ensure that cost estimates for projects are realistic; in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- VI. Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- VII. Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- VIII. Ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- IX. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- X. Ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- XI. Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- XII. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;

**d) Removal of a member**

A member may be removed from the committee in accordance to the provisions of section 43 (13) and (14) of the Act upon receipt of a complaint against a member.

A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office. The complaint shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. If members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued. Duties as a member of the Constituency Committee. At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office

**e) NG CDFC Induction and training**

The committee's term ended in December 2024. The new members will be inducted upon gazettelement.

**f) Number of meetings**

NG-CDF Act Section 43 stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Tongaren Constituency, the NG-CDF Committee conducted 12 Meetings and 5 sub-committee meetings.

	Name of committee member	Meetings held											
		1/7/24	17/7/24	7/8/24	23/10/24	23/12/24	23/1/25	20/2/25	26/3/25	16/5/25	30/5/25	3/6/25	24/6/25
1	Joseph Edward Waliaula	√	√	√	√	√	√	√	√	√	√	√	√
2	Liny Munialo Musundi	√	√	√	√	√	√	√	√	√	√	√	√
3	Phanice Wekesa	√	√	√	√	√	√	√	√	√	√	√	√
4	Florence Afandi	√	√	√	√	√	√	√	√	√	√	√	√
5	Wendy Wanyonyi	√	√	√	√	√	√	√	√	√	√	√	√

**National Government Constituencies Development Fund (NGCDF)**  
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6	Anthony Khisa Wekesa	√	√	√	√	√	√	√	√	√	√	√	√	√
7	Gilbert Wekesa Sitati	√	√	√	√	√	√	√	√	√	√	√	√	√
8	Augustine Barasa	√	√	√	√	√	√	√	√	√	√	√	√	√
9	FAM	√	√	√	√	√	√	√	√	√	√	√	√	√
10	DCC	√	√	√	√	√	√	√	√	√	√	√	√	√

**g) Remuneration Rates**

The members of the NG CDFC are not salaried but are entitled to allowances for attending committee meetings. The chairperson is entitled to **Ksh 7,000** and all other members **Ksh 5,000** per sitting.

**h) Disclose the policy on Conflict of interest.**

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

**i) Succession plan**

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

**j) Ethics and code of conduct**

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

**k) Risk management**

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

- Proper utilization of funds
- Project identification and prioritization
- Monitoring and evaluation
- Compliance with legal and financial regulations
- Stakeholder engagement
- Reporting and transparency

## **7. Management Discussion and Analysis**

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

### **a) Compliance with statutory requirements.**

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

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

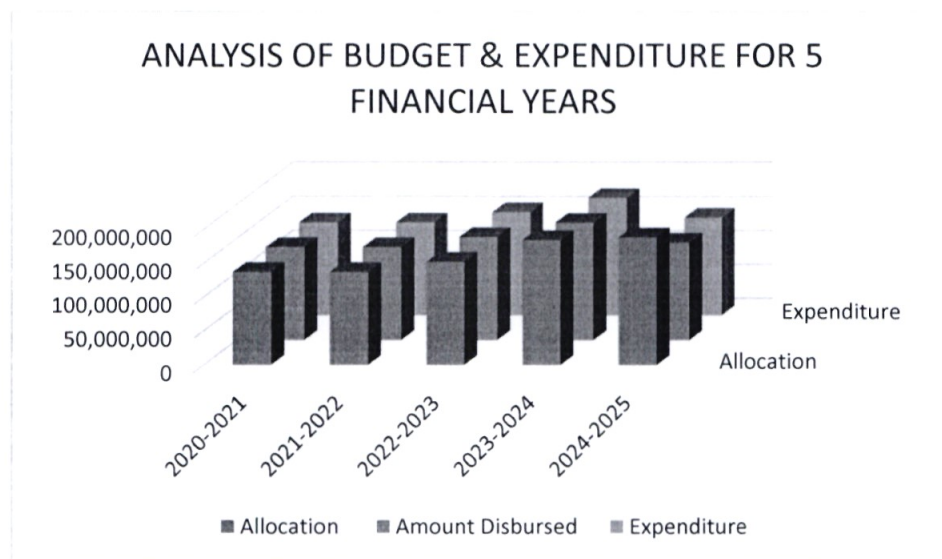
Tongaren NG-CDF has been able to equally meet its obligations for instance payment of taxes like VAT withholding tax from contactors, Pay As You Earn Tax and Withholding Tax as required and further commits to operate within the law even to the future.

### **b) Sector Performance**

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

<b>Financial Year</b>	<b>Allocation</b>	<b>Amount Disbursed</b>	<b>Expenditure</b>	<b>Percentage</b>
2020-2021	137,088,879	137,088,879	137,088,879	100%
2021-2022	137,088,879	137,088,879	137,088,879	100%
2022-2023	151,960,174	151,960,174	151,960,174	100%
2023-2024	184,129,901	173,363,901	173,363,901	94%
2024-2025	188,414,052	144,000,000	144,000,000	76%
<b>Total</b>	<b>798,681,886</b>	<b>743,501,833</b>	<b>743,501,833</b>	

**National Government Constituencies Development Fund (NGCDF)  
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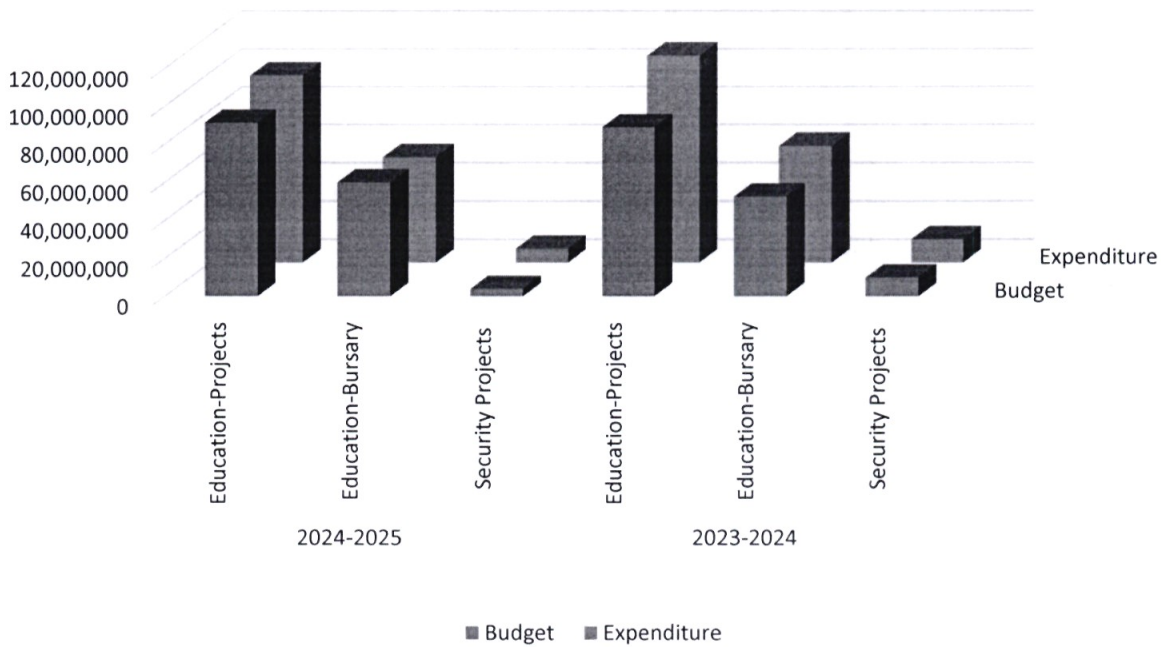
From the above data, Tongaren NG-CDF has been able to receive a total of Ksh **798,681,886** as at 30.06.2025 for the last five financial years. The resources has been utilized to improve the various sectors in terms of infrastructure and provision of bursaries to needy students in secondary and tertiary institutions.

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

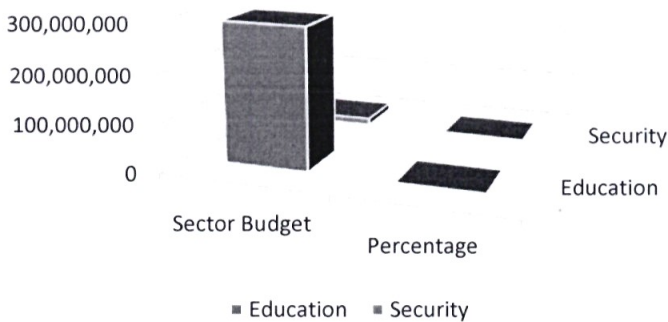
Financial Year	Sector	Budget	Expenditure
2024-2025	Education-Projects	91,290,258	98,411,996
	Education-Bursary	60,000,000	55,345,307
	Security Projects	4,000,000	7,438,236
2023-2024	Education-Projects	88,856,574	108,913,797
	Education-Bursary	52,500,000	61,328,000
	Security Projects	10,000,000	12,300,000
<b>Total</b>		<b>306,646,832</b>	<b>343,737,336</b>

**National Government Constituencies Development Fund (NGCDF)**  
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BUDGET & EXECUTION OF EDUCATIO PROJECTS, BURSARY, & SECURITY IN 2023/2024 & 2024/2025



Sector	Sector Budget	Percentage
Education	292,646,832	95%
Security	14,000,000	5%
	<b>306,646,832</b>	



Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of 95% of the entire allocation and secondly the security sector with average of 5%. This is an indicator that the Fund has put more efforts in improving the academic standards of Tongaren constituency through both the infrastructure and bursaries to needy students studying in various institutions.

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

### **c) Key Projects**

Tongaren NG-CDF has been able to undertake key projects that will go into improving the infrastructure standards and also providing job opportunities to the residents of Tongaren. For instance the purchase of land and construction of the proposed Tongaren Kenya Medical Training College (KMTC) that was started in the year 2018 once registered will improve the status of Ndalun Town through job and business opportunities to the locals.

The completion of Tongaren Police Station within Tongaren Market centre will also provide the much needed security for the residents of Tongaren ward and Tongaren constituency at large.

The Fund has also been able to construct additional classrooms in the various primary and secondary schools, key among them are the complete classrooms in; Soysambu primary Primary School, Kiminini Primary School, Milima riverside Primary School, Musangura Primary School and Muliro Primary School. The classrooms have been able to decongest the learning space for the students and provide conducive working area for the teachers and administrators of the schools.

The constituency ICT Hubs at the Mukuyuni offices and Tongaren market have been critical projects that Tongaren has been able to implement and maintain. The NG CDF Committee had proposed for the installation of a digital hub in the cereal board structures in Tongaren ward which are currently not being utilized. The proposal is pending approval at the NG CDF

Board. Once completed it will provide various services to the locals more so internet and online jobs for the youth in Tongaren constituency and beyond.

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



### **The Proposed Kenya Medical Training College - Ndalul Campus**

#### **d) Review of the Economy, Sector and Future Developments**

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

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

With the intention to entrench the Fund in the Kenyan Constitution, there is a good chance that in the future the Fund will grow and be able to spur more economic growth at the

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constituency level. Tongaren NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.



.....  
**Joyce N Wanjala**  
**Fund Account Manager**



**FUND ACCOUNT MANAGER**  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND BOARD

## **8. Environmental and Sustainability Reporting**

Tongaren NGCDF exist to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector namely; Education and training, security sector support and environment. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

### **1. Sustainability strategy and profile -**

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

- a. **Education and Training:** Tongaren 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 organization partakes the environmental sustainability by installation of water harvesting tanks and planting of trees in public institutions.
- The Tongaren NGCDF ensures that there is continuity of security through construction of Tongaren Police station and fencing of the DCCs compound both in Tongaren and Bungoma North sub counties.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Tongaren 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. Tongaren 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-**

Tongaren Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

Tongaren 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**

Tongaren 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.

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

.....  
**Joyce N Wanjala**  
**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-Tongaren 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-Tongaren 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- Tongaren Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

***National Government Constituencies Development Fund (NGCDF)  
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The Accounting Officer in charge of the NGCDF Tongaren 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- Tongaren Constituency financial statements were approved and signed by the Accounting Officer on 29/10/2025.



.....  
**Joseph Waliaula**  
Chairman – NGCDF Committee



.....  
**Joyce Wanjala**  
Fund Account Manager

# REPUBLIC OF KENYA

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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund – Tongaren Constituency set out on

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

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

### **Basis for Qualified Opinion**

#### **Un-surrendered Project Management Committee (PMC) Bank Balances**

The statement of financial position reflects a balance of Kshs.75,520,561 in respect of cash and cash equivalents, as disclosed in Note 19 to the financial statements. Included in this and as disclosed in Annex 2 to the financial statements, is a balance of Kshs.64,187,628 in respect of PMC balances as at 30 June, 2025. However, seventeen (17) PMC project accounts with balances totaling Kshs.827,214, had the same balances as reflected at the end of the previous financial year, indicating that the project had been inactive or completed but the remaining balances were not transferred to the main Constituency Fund account contrary to Section 12(8) the National Government Constituencies Development Fund Act, 2015.

In the circumstances, Management was in breach of the law and the accuracy and completeness of the PMC account balance of Kshs.64,187,628 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Tongaren 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 on comparable basis of Kshs.329,865,368 and Kshs.274,685,316 respectively resulting to an under-funding of Kshs.55,180,053 or 17% of the budget. Similarly, the Fund spent a total of Kshs.199,164,755 against a budget of Kshs.329, 865,367 resulting to an under-expenditure of Kshs.130, 700,612 or 40% of the budget.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit of the previous year, several issues were reported under Report on the Financial Statements, Emphasis of Matter and Report on Lawfulness and Effectiveness in the Use of Public Resources as detailed in **Appendix I**. However, Management has not resolved the issues or given reasons for the delay in resolving the issues.

### **Other Information**

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

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

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. Inadequate Records Management at the Fund Office

Review of the operations of the National Government Constituencies Development Fund -Tongaren Constituency for the financial year 2024/2025 revealed significant weaknesses in records management. Specifically, the Constituency Fund Management Office failed to maintain complete individual project files related to procurement processes and civil projects implementation. No proper explanations were provided for not keeping such critical documents. This was contrary to Section 68 of the Public Finance Management Act, 2012 which obligates Accounting Officers to ensure proper custody and maintenance of financial records in a manner that facilitates transparency, accountability and auditability.

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

#### 2. Non-Adherence to Climate Change Financing Regulations

Audit verification conducted in June 2025, revealed that the Fund had not made any reports on climate change related activities to The National Treasury and other relevant Government entities in the prescribed form as directed by The National Treasury Circular No. 13/2020 on Climate Change Financing requiring all Accounting Officers to make quarterly reports in a prescribed format.

In the circumstances, Management was in breach of the law

#### 3. Lack of Motor Vehicle Ownership Documents

Review of the Fund's fixed asset register and other relevant documents revealed that the Fund had two motor vehicles and one motor cycle. However, Management did not provide ownership documents for motor vehicles for audit verification, contrary to Section 11.2.1 of the Guidelines on Asset and Liability Management, 2020 which requires that logbooks for Government owned vehicles and lease agreements be held in the name of the entity.

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

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

#### **4. Outstanding Tax Arrears Owed to Kenya Revenue Authority**

Following a tax audit covering the five-year period from 2014 to 2018, the Fund was assessed to have tax arrears amounting to Kshs.697,399 which had not been settled as at 30 June, 2025. Further, the tax liability was not disclosed in the financial statements.

In the circumstances, Management was in breach of the tax laws.

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

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

#### **Basis for Conclusion**

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

#### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

09 December, 2025

## Appendix I

### Unresolved Prior Year Matters

Reference No. of the Auditor-General's Report	Observation
	<b>Report on the Financial Statements</b>
1	Presentation and Disclosure Anomalies in the Financial Statements
2	Inaccuracies in the Annual Report and Financial Statements
3	Unconfirmed Cash and Cash Equivalents Balance
4	Unconfirmed Bursary Payments
5	Unsupported Project Management Committee (PMC) bank balances
	<b>Emphasis of Matter</b>
	Budgetary Control and Performance-
	<b>Report on Lawfulness and Effectiveness in the Use of Public Resources</b>
1	Transfers to Other Government Entities
1.1	Construction of Dining Hall at AIC James Mwei Secondary School
1.2	Completion of One Hundred and Fifty (150) Students Capacity Dining Hall and Kitchen Ndalua at Primary School
2	Delay in the Implementation of Projects
3	Delayed Construction of a Security Project at Tongaren Police Station

*National Government Constituencies Development Fund (NGCDF)*

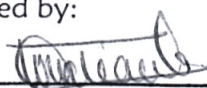
*Tongaren Constituency*

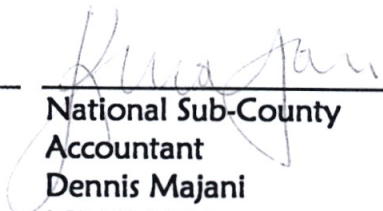
*Annual Report and Financial Statements for The Year Ended June 30, 2025*

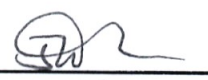
**11. Statement of Financial Performance for the Year Ended 30th June 2025**

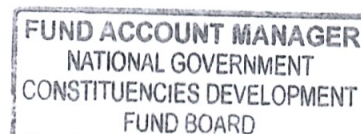
	Note	Period ended June 2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	188,414,052
Grants/donations from other entities	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>188,414,052</b>
<b>Expenses</b>		
Employee costs	10	3,808,912
Committee expenses	11	4,289,400
Use of Goods and Services	12	13,729,180
Other Government Units Actual expenditure	13	98,773,925
Other Grants and Transfers Actual expenditure	14	80,041,849
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
<b>Total expenses</b>		<b>200,643,266</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>(12,229,214)</b>

The Constituency financial statements were approved by the NGCDFC on 29/10/ 2025 and signed by:

  
Chairman NG-CDF  
Committee  
Joseph Waliaula

  
National Sub-County  
Accountant  
Dennis Majani  
ICPAK M/No:

  
Fund Account Manager  
Joyce N. Wanjala



National Government Constituencies Development Fund (NGCDF)


Tongaren Constituency

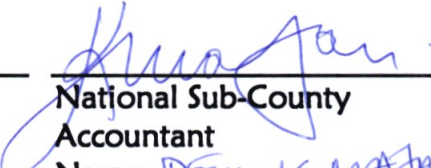
Annual Report and Financial Statements for The Year Ended June 30, 2025

12. Statement Of Financial Position sat 30th June, 2025

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	75,520,561	51,275,390
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	55,180,053	90,175,926
Prepayments	22	-	-
<b>Total Current Assets</b>		<b>130,700,614</b>	<b>141,451,316</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>130,700,614</b>	<b>141,451,316</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	611,731	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,659,236	792,455
<b>Total Current Liabilities</b>		<b>2,270,967</b>	<b>792,455</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>2,270,967</b>	<b>792,455</b>
<b>Net Assets (A-B)</b>		<b>128,429,647</b>	<b>140,658,861</b>
<b>Represented by:</b>			
Revaluation Reserves		128,429,648	140,658,862
Accumulated Surplus			
<b>Total Net Assets</b>		<b>128,429,648</b>	<b>140,658,862</b>

The Constituency financial statements set out on pages 1 to 6 approved by NG CDFC on 29/10/ 2025 and signed by:

  
 Chairman NG-CDF  
 Committee  
 Name:

  
 National Sub-County  
 Accountant  
 Name: DENNIS MATHINI  
 ICPAK M/No:

  
 Fund Account Manager  
 Name: JOYCE N.W



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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	-	8,036,579	8,036,579
Adjustments: (to recognize assets and liabilities)			
Add Assets	-	133,414,738	133,414,738
Less Liabilities	-	792,455	792,455
<b>As at July 1, 2024</b>	-	140,658,862	140,658,862
Surplus/(Deficit) For the Period	-	(12,229,214)	(12,229,214)
Revaluation Gain/Loss	-	-	-
<b>As at 30<sup>th</sup> June (current year)</b>	-	<b>128,429,648</b>	<b>128,429,648</b>

*Note: Assets of Kshs 133,414,738 comprises the following:*

1. *Accumulated surplus in the deposit account as at 1st July 2024 – Kshs. 792,455*
2. *PMC balances as at 1st July 2024 – Kshs. 42,446,357*
3. *Disbursements owing from the NG-CDF Board as at 1st July 2024 – Kshs. 90,175,926*

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

	Notes	<i>Period ended june</i>
		<b>Kshs</b>
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		223,409,926
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>223,409,926</b>
<b>Payments</b>		
Employee costs		2,942,131
Committee expenses	11	4,289,400
Use of Goods and Services	12	13,729,180
Other Government Units Certified Works		98,411,996
Other Grants and Transfers		79,792,047
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>199,164,755</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	30	<b>24,245,171</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>24,245,171</b>
<b>Cash Flows from Financing Activities</b>		
Lease payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>24,245,171</b>
Cash and cash equivalents at Period Start	19	<b>51,275,390</b>
<b>Cash and cash equivalents at Period End</b>	19	<b>75,520,561</b>

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
<b>Revenue</b>							
Transfers From the NGCDF Board	188,414,052	51,275,390	90,175,926	329,865,368	274,685,316	55,180,053	<b>83%</b>
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
<b>Totals</b>	<b>188,414,052</b>	<b>51,275,390</b>	<b>90,175,926</b>	<b>329,865,368</b>	<b>274,685,316</b>	<b>55,180,053</b>	<b>83%</b>
<b>Expenses</b>							
Employee costs	3,928,204	-	692,008	4,620,212	2,942,131	1,678,081	<b>64%</b>
Committee expenses	2,723,981	-	(185,700)	2,538,281	4,289,400	(1,751,119)	<b>169%</b>
Use of Goods and Services	10,305,080	2,170,000	(3,139,033)	9,336,047	13,729,180	(4,393,133)	<b>147%</b>
Other Government Units Certified Works	91,290,258	33,529,604	66,096,919	190,916,780	98,411,996	92,504,784	<b>52%</b>
Other Grants and Transfers	76,666,529	15,575,786	(3,482,746)	88,759,569	79,792,047	8,967,522	<b>90%</b>
Funds Pending Approval**	3,500,000	-	30,194,478	33,694,478	-	33,694,478	<b>0%</b>
<b>Total Expenditure</b>	<b>188,414,052</b>	<b>51,275,390</b>	<b>90,175,926</b>	<b>329,865,367</b>	<b>199,164,755</b>	<b>130,700,613</b>	<b>60%</b>
<b>Surplus for the period</b>							

Funds pending approval includes funds relating to projects that have not yet been approved by the board.

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

**Explanatory Notes.**

*Underutilization on the other government units certified works was due to the delays by the exchequer to disburse funds.*

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	130,700,613
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	55,180,053
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	75,520,560

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 29/10/2025 and signed by:

  
 \_\_\_\_\_  
**Fund Account Manager**

Name: Joyce N. W.



  
 \_\_\_\_\_  
**National Sub-County Accountant**

Name: DENNIS M. M.  
 ICPAK M/No:

  
 \_\_\_\_\_  
**Chairman NG-CDF Committee**

Name:

National Government Constituencies Development Fund (NGCDF)

Tongaren Constituency

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,928,204		692,008	4,620,212	2,942,131	1,678,081
1.2 Committee allowances	1,659,456		1,098,880	2,758,336	2,154,400	603,936
1.3 Use of goods and services	5,717,183		(683,103)	5,034,080	4,422,500	611,580
<b>Sub-total</b>	<b>11,304,843</b>	<b>-</b>	<b>1,107,785</b>	<b>12,412,628</b>	<b>9,519,031</b>	<b>2,893,597</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	2,230,000		(95,650)	2,134,350	6,298,189	(4,163,839)
2.2 Committee allowances	1,064,525		(1,284,580)	(220,055)		(220,055)
2.3 Use of goods and services	2,357,897		(2,670,280)	(312,383)	3,148,491	(3,460,874)
<b>Sub-total</b>	<b>5,652,422</b>	<b>-</b>	<b>(4,050,510)</b>	<b>1,601,912</b>	<b>9,446,680</b>	<b>(7,844,768)</b>
<b>4.0 Emergency</b>						
unutilized	66,529		590,638	657,167		657,167
Namunyiri Pri Schhol	1,200,000	2,000		1,202,000	1,174,698	27,303
Makololwe Pri Schhol	2,650,000	-		2,650,000	2,648,105	1,896
Kewa primary school	2,300,000	-		2,300,000	-	2,300,000
Makunga Pri School	100,000	900,000		1,000,000	1,003,053	(3,053)
Shikuku primary sch	2,000,000	1,500		2,001,500	1,386,370	615,130
Lukhokhwe primary school	1,600,000	-		1,600,000	42	1,599,958
unutilized				-		-
<b>Sub-total</b>	<b>9,916,529</b>	<b>903,500</b>	<b>590,638</b>	<b>11,410,667</b>	<b>6,212,267</b>	<b>5,198,400</b>
<b>5.0 Bursary and Social Security</b>						
5.1 Primary Schools	-			-		-
5.2 Secondary Schools	25,000,000		(2,148,000)	22,852,000	37,951,731	(15,099,731)
5.3 Tertiary Institutions	30,000,000		(6,099,899)	23,900,101	17,393,576	6,506,525
5.4 special needs	5,000,000	1,659,033	1,080,967	7,740,000	-	7,740,000
5.5 Education Support Programmes			624,048	624,048		624,048

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
5.6 Social Security				-		-
<b>Sub-total</b>	<b>60,000,000</b>	<b>1,659,033</b>	<b>(6,542,884)</b>	<b>55,116,149</b>	<b>55,345,307</b>	<b>(229,158)</b>
<b>7.0 Environment</b>						
Manyasa secondary school	550,000			550,000	550,000	-
St Juliana Narati Secondary school	550,000			550,000	550,000	-
Milele friends sec school	550,000			550,000	550,000	-
Mbakalo girls sec school	550,000			550,000	550,000	-
Nabiswa friends sec school	550,000			550,000	550,000	-
Tongaren Police Station			969,500	969,500	-	969,500
Bishop Anyolo kakamwe			200,000	200,000	200,000	-
Maliki boys sec school			200,000	200,000	200,000	-
Namunyiri sec school			200,000	200,000	200,000	-
Sirakaru sec school			200,000	200,000	200,000	-
St Patricks Naitiri boys			200,000	200,000	200,000	-
Tabani sec school			200,000	200,000	200,000	-
Constituency environment			2,100,000	2,100,000	2,100,000	-
<b>Sub-total</b>	<b>2,750,000</b>	<b>-</b>	<b>4,269,500</b>	<b>7,019,500</b>	<b>6,050,000</b>	<b>969,500</b>
<b>8.0 Primary Schools Projects</b>						
Lukhokhwe fym primary school		216,530		216,530	3,363,034	(3,146,504)
Ndalu pri school *		3,473	1,500,000	1,503,473	-	1,503,473
Namakhele pri school *		231	-	231	-	231
Musangura friends primary school		9,495	1,766,436	1,775,931	1,385,587	390,344
Mitua pri school *		15,623	6,000,000	6,015,623	-	6,015,623
Soysambu SA Primary School		50,514	-	50,514	-	50,514
Nandorobo Primary School		1,998,975	1,200,000	3,198,975	1,542,574	1,656,401
Miyuke Primary School		2,000,500	1,200,000	3,200,500	3,076,025	124,475
Minyali Primary School	1,500,000	2,000	1,766,436	3,268,436	1,673,313	1,595,123
Namatore Primary School		1,787,286	-	1,787,286	1,727,133	60,153
Mwikhupo Primary School	3,000,000	2,100	1,766,436	4,768,536	1,664,328	3,104,208

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Narati RC Primary School		1,767,411	-	1,767,411	1,750,119	17,292
Tongaren DEB Primary School		1,767,411	-	1,767,411	903,543	863,868
Birunda Primary School	1,500,000	1,767,986	(1,500,000)	1,767,986	1,314,063	453,923
Mabusi Primary School		1,767,411	-	1,767,411	903,543	863,868
Milima Riverside Primary School		2,616	1,766,436	1,769,052	1,305,206	463,846
Bilibili Primary School		-	1,766,436	1,766,436	1,764,805	1,631
Luuya Primary School		1,767,386	-	1,767,386	1,766,050	1,336
Makunga Primary School		1,766,511	-	1,766,511	1,761,599	4,912
Makhanga sa primary		885	1,500,000	1,500,885	-	1,500,885
Bunambo Primary School		781,700	1,766,436	2,548,136	2,546,329	1,807
Sikulu Primary School		1,498,975	-	1,498,975	1,479,362	19,613
St Joan Sango Primary	3,000,000	898,975	-	3,898,975	860,524	3,038,451
Kiminini Fym pri schoo	1,500,000	-	5,366,436	6,866,436	1,764,436	5,102,000
Mbakalo DEB PRI SCH		-	1,766,436	1,766,436	1,766,436	-
Nyange DEB pri sch		2,000	1,766,436	1,768,436	1,283,721	484,715
Nabing'enge pri school		1,200	1,766,436	1,767,636	1,681,734	85,902
St Pauls Narati Pri School		2,355	6,212,108	6,214,463	1,167,106	5,047,357
Musembe Pri School		-	1,766,437	1,766,437	911,666	854,771
Makumu Pri School		-	1,766,436	1,766,436	1,756,564	9,872
Mfunje Pri School		-	1,350,000	1,350,000	1,180,102	169,898
Mukomari Primary School		2,000	1,182,792	1,184,792	1,162,850	21,942
Tabani FYM Pri School		2,025	1,766,436	1,768,461	1,766,766	1,695
Lunao DEB Pri School	1,500,000	1,000	1,766,436	3,267,436	1,342,932	1,924,504
Lumukile Pri School	1,500,000	-	1,766,436	3,266,436	1,366,997	1,899,439
Sango SA Pri School		2,000	1,766,436	1,768,436	1,755,347	13,089
ArchBishop Wabukala ACK pri.		1,766,436	-	1,766,436	1,745,401	21,035
Matisi CEB Primary school	3,000,000	-	-	3,000,000	2,993,310	6,690
Mukuyuni FYM Primary school	6,200,000	-	-	6,200,000	3,429,556	2,770,445
Mfupi primary school	3,000,000	-	-	3,000,000	1,400,508	1,599,492
Mwikhupo DEB primary		-	-	-	2,244,211	(2,244,211)

*National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Sawa primary school	3,000,000	-		3,000,000	-	3,000,000
kewa primary school	1,500,000	-		1,500,000	-	1,500,000
kapchonge primary school	3,000,000	-		3,000,000	-	3,000,000
kikwameti primary school	6,000,000	-		6,000,000	-	6,000,000
Lukhokhwe sa primary	3,200,000	-		3,200,000	-	3,200,000
Muliro primary school	2,500,000			2,500,000		2,500,000
Marinda primary school	3,000,000			3,000,000		3,000,000
Mukhuyu primary school	1,500,000			1,500,000		1,500,000
Dr Eseli primary school	1,500,000			1,500,000		1,500,000
Siumbwa primary school	1,500,000		(1,500,000)	-		-
Namboko primary school	1,500,000		(1,500,000)	-		-
Lukhuna primary school	1,500,000		(1,500,000)	-		-
Mbirira primary school	1,000,000			1,000,000		1,000,000
<b>Sub-total</b>	<b>56,400,000</b>	<b>21,653,009</b>	<b>46,007,877</b>	<b>124,060,886</b>	<b>61,506,779</b>	<b>62,554,106</b>
<b>9.0 Secondary Schools Projects</b>						
MILELE SEC SCHOOL		522,995	-	522,995	311,526	211,469
NABING'ENG'E FRIENDS SEC SCH		422,491	-	422,491	-	422,491
NABISWA SECONDARY SCHOOL		991,295	-	991,295	-	991,295
ST MARYS MWIKHUPO SEC SC		6,782	-	6,782	-	6,782
ST. PETERS SEC SCHOOL NDALU		17,654	-	17,654	-	17,654
MULIRO SECONDARY SCHOOL		47,470	-	47,470	-	47,470
NAMAWANGA RGC SEC SCHOOL		255	-	255	-	255
NYANGE PAG SEC SCHOOL		158,578	-	158,578	-	158,578
KEWA SEC SCHOOL		124,141	-	124,141	-	124,141
Sirakaru secondary school		6,660	7,262,300	7,268,960	-	7,268,960
NAKOBWA SECONDARY SCHOOL	1,500,000	466,535	(1,500,000)	466,535	-	466,535
BISHOP PHILIP ANYOLO SEC SCH		3,200	-	3,200	-	3,200
Milimani secondary school		136,859	-	136,859	-	136,859
Lungai secondary school		171,801	-	171,801	-	171,801

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Lukhuna Friends Secondary School	6,000,000	3,502,975	2,000,000	11,502,975	5,466,990	6,035,985
AIC James Mwei Secondary School	4,600,000	4,000,975	1,400,000	10,000,975	5,392,149	4,608,826
Friends Kiminini secondary school		74,593	-	74,593	-	74,593
St. Patricks Naitiri Boys sec sch	4,600,000	-	5,400,000	10,000,000	5,381,970	4,618,031
Manyasa Friends Sec School	4,600,000	2,000	5,400,000	10,002,000	5,221,025	4,780,975
Mitua girls sec school	7,590,258	-	5,500,000	13,090,258	-	13,090,258
Bishop Atundo sec school	6,000,000	-	2,500,000	8,500,000	-	8,500,000
Friends Kibisi sec school			(2,400,000)	(2,400,000)		(2,400,000)
Ngoya buyofu sec school			(5,000,000)	(5,000,000)		(5,000,000)
Karima secondary school			(650,000)	(650,000)		(650,000)
Tongaren DEB Secondary school			(600,000)	(600,000)		(600,000)
<b>Sub-total</b>	<b>34,890,258</b>	<b>10,657,256</b>	<b>19,312,300</b>	<b>64,859,814</b>	<b>21,773,660</b>	<b>43,086,155</b>
<b>10.0 Tertiary institutions Projects</b>						
TONGAREN KMTC		1,219,339	(13,631,081)	<b>(12,411,742)</b>	1,140,733	(13,552,475)
KMTC NDALU			14,407,823	<b>14,407,823</b>	13,990,825	416,998
<b>Sub-total</b>	<b>-</b>	<b>1,219,339</b>	<b>776,742</b>	<b>1,996,081</b>	<b>15,131,558</b>	<b>(13,135,477)</b>
<b>11.0 Security Projects</b>						
Bungoma North DCC office compound	-	3,005,783	-	3,005,783	2,894,755	111,028
TONGAREN DEPUTY COUNTY COMMISSIONER'S OFFICE		8,495	(900,000)	(891,505)	-	(891,505)
TONGAREN POLICE STATION	4,000,000	4,998,975	(900,000)	8,098,975	4,543,481	3,555,494
<b>Sub-total</b>	<b>4,000,000</b>	<b>8,013,253</b>	<b>(1,800,000)</b>	<b>10,213,253</b>	<b>7,438,236</b>	<b>2,775,017</b>
<b>12.0 Acquisition of assets</b>						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.2 Construction of CDF office		5,000,000		5,000,000	4,746,237	253,763
<b>Sub-total</b>	-	<b>5,000,000</b>	-	<b>5,000,000</b>	<b>4,746,237</b>	<b>253,763</b>
<b>13.0 Others</b>						
Strategic plan		2,170,000		2,170,000	1,995,000	175,000
Digital school aid		-	310,000	310,000		310,000
<b>Sub-total</b>	-	<b>2,170,000</b>	<b>310,000</b>	<b>2,480,000</b>	<b>1,995,000</b>	<b>485,000</b>
<b>Funds pending approval**</b>				-		-
unapproved projects	3,500,000	-	28,871,172	32,371,172		32,371,172
AiA	-		1,323,306	1,323,306		1,323,306
<b>Sub-total</b>	<b>3,500,000</b>	-	<b>30,194,478</b>	<b>33,694,478</b>	-	<b>33,694,478</b>
<b>Total</b>	<b>188,414,052</b>	<b>51,275,390</b>	<b>90,175,926</b>	<b>329,865,367</b>	<b>199,164,755</b>	<b>130,700,613</b>

## **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 Tongaren Constituency principal activity is service delivery through improvement of infrastructure and provision of bursaries to needy students within the constituency.

### **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 Tongaren has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Tongaren 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.*

<b>Standard</b>	<b>Effective date and Impact:</b>
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>Not applicable</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>Not applicable</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1<sup>st</sup> January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and 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. <i>Not applicable</i>

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<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>Not applicable</i></b></p>
<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b><i>Not applicable</i></b></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b><i>Not applicable</i></b></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b><i>Not applicable</i></b></p>
<p>IPSAS 50:</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p>

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Exploration For & Evaluation of Mineral Resources	<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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ul> <p><i>Not applicable</i></p>
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*iii. Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget was approved by Parliament on xx June 20xx for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> 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

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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

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estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

### **Fair value through surplus or deficit**

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

### **Impairment**

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

### **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**

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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.

**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.

**m) 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.

**n) 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.

**o) Comparative figures**

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

**p) 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

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required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**6. Transfers from the NGCDF Board**

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	188,414,052
<b>Total</b>	<b>188,414,052</b>

**7. Transfers from domestic and foreign partners**

Description	2024/2025
	Kshs
Grants	-
<b>Total</b>	<b>-</b>

**8. Finance income**

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

**9. Miscellaneous income**

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

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**10. Employees cost**

	<i>2024/2025</i>
	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,768,887
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	866,781
Employer Contributions Compulsory national social security schemes	139,680
Employer Contributions Compulsory Housing levy	27,964
Employer contributions to National Industrial Training Authority	5,600
Other Specify	-
<b>Total</b>	<b>3,808,912</b>

**11. Committee Expenses**

	<i>2024/2025</i>
	<b>Kshs</b>
Sitting allowance	2,154,400
Other Committee expenses	2,135,000
<b>Total</b>	<b>4,289,400</b>

**12. Use of Goods and services**

	<i>2024/2025</i>
	<b>Kshs</b>
Utilities, supplies and services	644,679
Communication, supplies and services	-
Domestic travel and subsistence	962,500
Printing, advertising and information supplies & services	541,069
Office Rent	-
Training expenses	1,840,120
Hospitality supplies and services	1,040,100
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	2,287,500

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Fuel, oil & lubricants	1,100,000
Bank charges	480
Routine maintenance – vehicles and other transport equipment	614,532
Routine maintenance – other assets	788,800
Strategic plan expenses	1,995,000
Other operating expenses	1,914,400
<b>Total</b>	<b>13,729,180</b>

**13. Other Government Units Actual expenditure**

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	61,800,260
Secondary Schools Actual expenditure	21,773,660
Tertiary Institutions Actual expenditure	15,200,006
<b>Total</b>	<b>98,773,925</b>

**14. Other Grants and transfers Actual expenditure**

	2024/2025
	Kshs
Bursary – secondary schools	37,951,731
Bursary – tertiary institutions	17,393,576
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	7,438,236
Climate change mitigation projects	6,050,000
Emergency projects Actual expenditure	6,212,267
Roads projects Actual expenditure	-
Others specify	4,996,039
<b>Total</b>	<b>80,041,849</b>

**15. Depreciation and Amortization Expenses**

Description	2024/2025
	Kshs
Property Plant and Equipment	-
Intangible Assets	-

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<b>Total</b>	-
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**16. Digital Hubs Expenses**

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

**17. Gain/loss on Sale of Assets**

Description	2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Gain/loss on Sale of Assets</b>	-

**18. Impairment Loss**

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

**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	2024/2025	Opening Statement
	Kshs	1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>The Cooperative Bank, Kimilili Branch A/No. 01141470213900 (Operations account)</i>	9,062,446	8,036,578.00
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>The Cooperative Bank, Kimilili Branch A/No. 01104702139001 (Deposit account)</i>	2,270,487	792,455.00

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<i>The cooperative Bank, Kimilili account No. (PMC accounts)</i>	64,187,628	42,446,356.55
<b>Total</b>	<b>75,520,561</b>	<b>51,275,390</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**20. Receivables from Exchange Transactions**

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

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

**i. Ageing Analysis for Receivables**

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

**21. Receivables from Non-Exchange Transactions**

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	55,180,053		90,175,926	
Outstanding imprest	-		-	
<b>Total</b>	<b>55,180,053</b>		<b>90,175,926</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2024/2025</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	55,180,053	100%	90,175,926	100%
Between 1-2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total</b>	<b>55,180,053</b>	<b>100%</b>	<b>90,175,926</b>	<b>100%</b>

**22. Prepayments**

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

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**23. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
<b>Depreciation Rate(specify)</b>		2%	25%	12.5%	30%	x%		
<b>Cost</b>	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Opening Bal as 1<sup>st</sup> July 20xx</b>	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 20xx</b>	-	-	-	-	-	-	-	-
<b>Depreciation And Impairment</b>	-	-	-	-	-	-	-	-
<b>Opening Depreciation</b>	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 20xx</b>	-	-	-	-	-	-	-	-
<b>Net Book Values</b>	-	-	-	-	-	-	-	-
<b>Opening Bal as at 1<sup>st</sup> July 20xx</b>	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 20xx</b>	-	-	-	-	-	-	-	-

**Valuation**

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30<sup>th</sup> June 2020). These amounts were adopted on 2025.

**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:

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

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

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

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**24. Intangible Assets**

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

**25. Right-of use assets**

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 20xx (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 20xx (Current FY)	-	-	-	-
<b>Accumulated Depreciation</b>				
As At 1 July 20xx (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 20xx (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 20xx (Current FY)	-	-	-	-
<b>Carrying Amount</b>				

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As At 30 June 20xx (Current FY)	-	-	-	-
As At 30 June 20xx. (Comparative Period)	-	-	-	-

**26. Trade and Other Payables**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	-	-	-	-
Employee payables	-	-	-	-
Other payables	-	-	-	-
<b>Total trade and other payables</b>	-	-	-	-
<b>Aging analysis: (Trade and other payables)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>1<sup>st</sup> July</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

**27. Third-Party deposits**

	2024/2025
	KShs
Retention as at 1 <sup>st</sup> July (A)	-
Retention held during the year (B)	8,302,710
Retention paid during the Year (C)	7,690,979
<b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b>	<b>611,731</b>

**Retentions aging analysis.**

	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	611,731	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%

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Over 3 years	-	%	-	%
<b>Total</b>	<b>611,731</b>	<b>100%</b>	-	

**28. Lease Liabilities**

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

**Maturity Analysis**

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

**Analysed as:**

Description	Amount
Current	-
Non- Current	-
<b>Total</b>	-

**29. Gratuity Provision**

Description	2024/2025	2023/2024
	Kshs	
Gratuity at the beginning of the year 1 <sup>st</sup> of July	792,455	
Gratuity held during the year	866,781	792,455.00
Gratuity paid during the year	-	-
<b>Total Gratuity Provision 30th June (A+B-C)</b>	<b>1,659,236</b>	<b>792,455.00</b>

### 30. Cash Generated from Operations

	<i>2024/2025</i>
	Kshs
<b>Surplus for the period before tax</b>	<b>(12,229,214)</b>
<b>Adjusted for:</b>	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Changes in inventory	-
Changes in receivables	34,995,874
Changes in deferred income	-
Changes in Third party deposits	611,731
Changes in gratuity provision	866,781
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>24,245,171</b>

### 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:

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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	Total amount	High performing	Partly performing	Non performing
	KSh	KSh	KSh	KSh
<b>As at 30<sup>th</sup> June (2024/2025)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30 June (2023/2024)</b>	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

## **Financial Risk Management**

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

### **ii) Liquidity risk management**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (2024/2025)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	1,659,236	-	-	-
<b>Total</b>	<b>1,659,236</b>	-	-	-
<b>As at 30<sup>th</sup> June (2023/2024)</b>	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**iii) Market risk**

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

**a) Foreign currency risk**

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

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**2024/2025**

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

**Foreign currency sensitivity analysis**

**2024/2025**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (2024/2025)</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

## **Financial Risk Management**

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

Description	Change in	Effect on Profit	
	currency rate	before tax	Equity
	Ksh	Ksh	Ksh
<b>2024/2025</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2024/2025</b>		-	-
Euro	10%	-	-
USD	10%	-	-

### **b) Interest rate risk**

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

#### **Management of interest rate risk**

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

#### **Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2024/2025: Kshs ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2024/2025 – Kshs)

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

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

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

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

Description	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
<b>As at 30 June (2024/2025)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June (2023/2024)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-

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<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-

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

**iv) Capital Risk Management**

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

Description	2024/2025	
	Ksh	
Revaluation Reserve	-	-
Retained Earnings	<b>128,429,648</b>	<b>140,658,862</b>
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	75,520,561	51,275,390
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	-	-

### 32. Related Party Disclosures

	2024/2025	Opening Statement 1 July 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	2,154,400	1,464,000
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	188,414,052	189,111,382
<b>Total</b>	<b>190,568,452</b>	<b>190,575,382</b>

### 33. Segment Information

The Tongaren NG CDF operates as a single segment, undertaking activities under one functional and geographical area. All revenues, expenses, assets, and liabilities are attributable to this single segment, and therefore, no separate segment reporting is required.

### 34. Contingent Assets and Contingent Liabilities

#### Contingent Assets

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

**Contingent Liabilities**

Description	2024/2025	
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

**35. Capital Commitments**

Capital Commitments	2024/2025	
	Kshs	Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
<b>Total</b>	-	-

*(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 authorized 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 Tongaren 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/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	6,500,000	5,000,000	-	11,500,000
Transport equipment	10,351,490	-	-	10,351,490
Office equipment, furniture, and fittings	374,690	-	-	374,690
ICT Equipment and Other ICT Assets	513,500	-	-	513,500
Other Machinery and Equipment	15,000	-	-	15,000
Intangible assets	-	-	-	-
<b>Total</b>	<b>17,754,680</b>	<b>5,000,000</b>	<b>-</b>	<b>22,754,680</b>

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**Annex 2 –PMC Bank Balances As At 30<sup>th</sup> June 2025**

	Bank	Account number	2024/2025	2023/2024
LUKHOKHWE FYM PRIMARY SCHOOL	Cooperative	01139469498200	53,496	216,530
NDALU PRI SCHOOL *	Cooperative	01139269431902	3,473	3,473
NAMAKHELE PRI SCHOOL *	Cooperative	01100404450001	231	231
MUSANGURA FRIENDS PRIMARY SCHOOL	Cooperative	01109956202001	390,344	9,495
MITUA PRI SCHOOL *	Cooperative	01139502937100	15,623	15,623
Soysambu SA Primary School	Cooperative	01141644173600	50,514	50,514
Nandorobo Primary School	Cooperative	01102690156001	1,656,401	1,998,975
Miyuke Primary School	Cooperative	01104118564001	124,475	2,000,500
Minyali Primary School	Cooperative	01100979314001	13,651	2,000
Namatore Primary School	Cooperative	01139050223700	60,153	1,787,286
Mwikhupo Primary School	Cooperative	01100922272001	104,208	2,100
Narati RC Primary School	Cooperative	01100916555001	17,292	1,767,411
Tongaren DEB Primary School	Cooperative	01100906082001	863,868	1,767,411
Birunda Primary School	Cooperative	01100039310002	453,923	1,767,986
Mabusi Primary School	Cooperative	01100906611001	863,868	1,767,411
Milima Riverside Primary School	Cooperative	01100906611001	373,846	2,616
Bilibili Primary School	Cooperative	01100940484001	1,631	0
Luuya Primary School	Cooperative	01106090313001	1,336	1,767,386

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PMC	Bank	Account number	2024/2025	
Makunga Primary School	Cooperative	01100173796002	4,912	1,766,511
Makhanga sa primary	Cooperative	01139050345701	885	885
Bunambo Primary School	Cooperative	01100729352002	1,807	781,700
Sikulu Primary School	Cooperative	01100731707002	19,613	1,498,975
St Joan Sango Primary	Cooperative	01100652960001	38,451	898,975
Kiminini Fym pri schoo	Cooperative	01139469498200	2,000	0
Mbakalo DEB PRI SCH	Cooperative	01139269431902	-	0
Nyange DEB pri sch	Cooperative	01100404450001	444,715	2,000
Nabing'eng'e pri school	Cooperative	01109956202001	85,902	1,200
St Pauls Narati Pri School	Cooperative	01139502937100	47,357	2,355
Musembe Pri School	Cooperative	01141644173600	854,771	0
Makumu Pri School	Cooperative	01102690156001	9,872	0
Mfunje Pri School	Cooperative	01104118564001	87,888	0
Mukomari Primary School	Cooperative	01100979314001	21,942	2,000
Tabani FYM Pri School	Cooperative	01139050223700	1,696	2,025
Lunao DEB Pri School	Cooperative	01100922272001	424,504	1,000
Lumukile Pri School	Cooperative	01100916555001	399,439	0
Sango SA Pri School	Cooperative	01100906082001	13,089	2,000
ArchBishop Wabukala ACK pri.	Cooperative	01100039310002	21,035	1,766,436
Matisi CEB Primary school	Cooperative	01100906611001	6,690	0

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	Bank	Account number	2024/2025	2023/2024
Mukuyuni FYM Primary school	Cooperative	01100906611001	2,770,445	0
Mfupi primary school	Cooperative	01100940484001	1,599,492	0
Mwikhupo DEB primary	Cooperative	01106090313001	755,790	0
Sawa primary school	Cooperative	01100173796002	3,000,000	0
kewa primary school	Cooperative	01139050345701	1,500,000	0
kapchonge primary school	Cooperative	01100729352002	3,000,000	0
kikwameti primary school	Cooperative	01100731707002	6,000,000	0
Lukhokhwe sa primary	Cooperative	01100652960001	1,600,000	0
MILELE SEC SCHOOL	Cooperative	01141694496300	211,469	522,995
NABING'ENG'E FRIENDS SEC SCHOOL	Cooperative	01141644173500	422,491	422,491
NABISWA SECONDARY SCHOOL	Cooperative	01141470585900	991,295	991,295
ST MARYS MWIKHUPO SEC SCHOOL	Cooperative	01139599221202	6,782	6,782
ST. PETERS SEC SCHOOL NDALU	Cooperative	01139694808600	17,654	17,654
MULIRO SECONDARY SCHOOL	Cooperative	01100327118001	47,470	47,470
NAMAWANGA RGC SEC SCHOOL	Cooperative	01141745911900	255	255
NYANGE PAG SEC SCHOOL	Cooperative	01139269718202	158,578	158,578
KEWA SEC SCHOOL	Cooperative	01141687673300	124,141	124,141
Sirakaru secondary school	Cooperative	01139469235500	6,660	6,660
NAKOBA SECONDARY SCHOOL	Cooperative	01141688399300	466,535	466,535
BISHOP PHILIP ANYOLO SEC SCHOOL	Cooperative	01139599967900	3,200	3,200

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PMC	Bank	Account number	2024	2025
Milimani secondary school	Cooperative	01139502061400	136,859	136,859
Lungai secondary school	Cooperative	01139469235600	171,801	171,801
Lukhuna Friends Secondary School	Cooperative	01100895547001	6,035,985	3,502,975
AIC James Mwei Secondary School	Cooperative	01100919874001	4,608,826	4,000,975
Friends Kiminini secondary school	Cooperative	01139599580403	74,593	74,593
St. Patricks Naitiri Boys sec sch	Cooperative	01141694496300	4,618,031	0
Manyasa Friends Sec School	Cooperative	01141644173500	4,780,975	2,000
Mitua girls sec school	Cooperative	01141470585900	5,500,000	0
Bishop Atundo sec school	Cooperative	01139599221202	2,500,000	0
TONGAREN KMTC	Cooperative	01139694808600	10,158	1,219,339
KMTC NDALU	Cooperative	01100327118001	416,998	0
Bungoma North DCC office compound	Cooperative	01141745911900	111,028	3,005,783
TONGAREN DEPUTY COUNTY COMMISSIONER'S OFFICE	Cooperative	01139269718202	8,495	8,495
TONGAREN POLICE STATION	Cooperative	01141687673300	455,494	4,998,975
Namunyiri Pri Schhol	Cooperative	01139469235500	27,303	2,000
Makololwe Pri Schhol	Cooperative	01141688399300	1,896	0
Kewa primary school	Cooperative	01139599967900	2,300,000	0
Makunga Pri School	Cooperative	01139502061400	(3,053)	900,000
Shikuku primary sch	Cooperative	01139469235600	615,130	1,500
Lukhokhwe primary school	Cooperative	01100895547001	1,599,958	0
<b>Total</b>			<b>64,187,628</b>	<b>42,446,357</b>

**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:
1.	<p><b>Presentation and Disclosure Anomalies in the Financial Statements</b></p> <p>Audit review of the submitted annual report and financial statements for the year ended 30 June 2024 indicated the following anomalies and inconsistencies with the Public Sector Accounting Standards Board (PSASB) prescribed reporting template.</p> <p>In the significant accounting policies section, the policy on budget indicates the original budget was approved by parliament on xx June 20xx for the Period 1<sup>st</sup> July 20xx to 30<sup>th</sup> June 20xx as required by the law. The disclosure do not reflect the correct dates.</p> <p>In the circumstances, the financial statements do not comply with the PSAB prescribed template and may be misleading to the users.</p>	<p>The financial statement has been amended and the anomaly corrected.</p>	<p>Not resolved</p>	<p>December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)									
2.	<p><b>Inaccuracies in the Annual Report and Financial Statements</b></p> <p>Audit review of the annual report and financial statements submitted for audit indicated the following inaccuracies:</p> <p>The chairman's statement indicates that the constituency was allocated a total of Kshs.204, 327,134, however the statement of appropriation for the year indicates an original budget of Kshs.205, 327,134 leading to unexplained variance of Kshs.1, 000,000.</p> <p>The budget execution by sectors and projects reflects secondary schools projects subtotal casting errors which has not been explained as detailed below;</p> <table border="1"> <thead> <tr> <th>Details</th> <th>Amount as per financial statement (Kshs)</th> <th>Correct recalculated Amount Kshs</th> <th>Variance Kshs</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td>15,000,000</td> <td>16,100,000</td> <td>1,100,000</td> </tr> </tbody> </table>	Details	Amount as per financial statement (Kshs)	Correct recalculated Amount Kshs	Variance Kshs	Opening Balance	15,000,000	16,100,000	1,100,000	<p>The financial statement has been amended and the anomaly corrected.</p> <p>The Kshs. 7,480,000 reflects the sub total for the unutilized funds under the category of others. Your down casting may have erroneously included the sub total doubling the result for the category mentioned.</p>	Not resolved	December 2025
Details	Amount as per financial statement (Kshs)	Correct recalculated Amount Kshs	Variance Kshs									
Opening Balance	15,000,000	16,100,000	1,100,000									

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Reference to the Annual Audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Timeframe:												
	<table border="1"> <tr> <td>Previous years Outstanding disbursement</td> <td>15,762,300</td> <td>18,262,300</td> <td>2,500,000</td> </tr> <tr> <td>Final Budget</td> <td>63,462,300</td> <td>67,062,300</td> <td>3,600,000</td> </tr> <tr> <td>Final underutilization difference</td> <td>15,712,300</td> <td>19,312,300</td> <td>3,600,000</td> </tr> </table>	Previous years Outstanding disbursement	15,762,300	18,262,300	2,500,000	Final Budget	63,462,300	67,062,300	3,600,000	Final underutilization difference	15,712,300	19,312,300	3,600,000			
Previous years Outstanding disbursement	15,762,300	18,262,300	2,500,000													
Final Budget	63,462,300	67,062,300	3,600,000													
Final underutilization difference	15,712,300	19,312,300	3,600,000													
	<p>Annex 3 - Unutilized Funds, the grand total disclosed outstanding balance 2023/2024 is Kshs.98, 212,505. However casting downwards reveals the grand total of Kshs.105, 692,504 leading to unreconciled variance of Kshs.7, 479,999. Further, the outstanding balance was arrived at after netting off Kshs 39,828,980 in respect of projects, Kshs 3,499,033 for use of goods and services and Kshs 185,700 being payment for committee expenses. However, the fund management did not explain how unutilized funds balances comprised of overpayments and excess transfers for projects.</p>															

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	
	In the circumstances, the accuracy and completeness of the unutilized funds balance of Ksh 98,212, 505 could not be confirmed.			
3.	<p><b>Unconfirmed Cash and Cash Equivalents Balance</b></p> <p>The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs 8,829,034 as disclosed under Note 11A to the financial statements. Included in this balance is Kshs 8,036,579 is in respect of a commercial bank main bank account balance. However, the balance is net of cheques payments posted in the cashbook of Ksh 109,997 which had not been cleared, were stale and had not been reversed back in the cash book.</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Ksh 8,829,034 could not be confirmed.</p>	The stale cheques have since been reversed and replaced accordingly.	Not resolved	December 2025
4.	<p><b>Unconfirmed Bursary Payments</b></p> <p>The statements of receipts and payments reflects other grants and other payments of Kshs.84,593,952 as disclosed in Note 8 to the financial statements. Included in this amount is bursary to secondary schools of Kshs.30,122,000 and bursary to tertiary institutions of Kshs.31,206,000 bursary to tertiary institutions both totaling to Kshs.61,328,000. Review of the information provided for audit revealed that amount totaling to Kshs.6,072,000</p>	The delay in the return of the bursary acknowledgement receipts has been noted. The management is following up to ensure total compliance to avoid the same in the future.	Not resolved	December 2025

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Reference to Annual Audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Timeframe
	<p>were not supported by acknowledgement of the funds by the recipients.</p> <p>In the circumstances, the accuracy and completeness of the bursary disbursements amounting to 6,072,000 could not be confirmed.</p>			
5.	<p><b>Project Management Committee (PMC) Balances</b></p> <p>Note 19.4 to the financial statements reflects Project Management Committee (PMC) balance of Kshs.26,904,259 which, as disclosed in Annex 5, comprises of balances held by Project Management Committees in forty-two (42) bank accounts held in various Commercial banks. However, the cash books, bank reconciliation statements and bank statements for the forty-two (42) bank accounts were not provided for audit.</p> <p>Further, Project Management Committee (PMC) bank balances amounting to Kshs.310, 205 as at 30 June, 2024 in respect to four (4) bank accounts whose respective projects were completed have remained in respective bank accounts without being transferred to the main CDF account</p>	<p>The bank statements and certificate of balances, and bank reconciliation statements for the PMCs are available for the audit review.</p>	Not resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved/Not Resolved)	
	In the circumstances, the accuracy and completeness of the PMC account balance of Kshs.26, 904,259 could not be confirmed			
6.	<p><b>Budgetary Performance</b></p> <p>The summary statement of appropriation reflects approved final receipts budget and actual on comparable basis of Kshs.300,725,946 and Kshs.210,550,020 respectively resulting to an under-funding of Kshs.90,175,926 or 70% of the budget.</p> <p>Similarly, the fund expended Kshs.208, 096,773 against an approved budget of Kshs.311, 769,203 resulting to an under expenditure of Kshs.103, 672,430 or 33% of the budget.</p> <p>The under-funding and under-performance of the budget affected the ability of Tongaren NG-CDF to achieve its planned activities and may impact negatively on service delivery to the public.</p>	The underfunding was as a result of the delay by the ex-chequer to disburse funds to the constituency. However, the approved projects have been funded in full and are available for audit review.	Not resolved	December 2025

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Reference No. / External Audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
7.	<p><b>Unresolved Prior Year Matters</b></p> <p>In the audit of the previous year, several issues were reported under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given reasons for the delay in resolving the issues.</p>	<p>As at the time of audit, the management had not fully resolved all the issues raised in the previous report. However, the issues have been submitted for review.</p>	<p>Not resolved</p>	<p>December 2025</p>
8.	<p><b>1. Transfers to Other Government Entities</b></p> <p>Included in the statement of receipts and payments under Note 7 were transfers to other government units of Kshs.94, 998,691. Audit review of sampled transfers to other government units revealed the following:</p> <p>i. Disbursement of Kshs.4, 000,000 to AIC James Mwei Secondary School for Construction of Dining Hall</p> <p>The Fund awarded a tender for the construction of a dining hall at AIC James Mwei Secondary School to M/s Swan (K) Ltd, vide award notice dated 20 May, 2024 at a contract sum of Kshs.11, 227,800. 1<sup>st</sup> interim certificate payment of Kshs.3, 600,000 was made to the contractor on 1<sup>st</sup> July, 2024.</p> <p>However, Management did not provide the contract agreement for audit review, and hence the terms of</p>	<p>The tender documents for the project at AIC James Mwei are available for audit review. The agreement is available for audit review. The terms of the contract are provided in the tender document.</p> <p>The tender documents for Ndalul project are available for audit verification.</p>	<p><b>Not resolved</b></p>	<p>December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	
	<p>engagements, including contract sum and implementation period could not be confirmed. Propriety of the expenditure amount may be doubtful.</p> <p>i. Disbursement of Kshs 4,000,000 to Ndal Primary School</p> <p>Review of the payment records revealed that the Constituency Management transferred an amount of Kshs.4,000,000 to Ndal Primary School PMC bank account vide payment voucher No. 42 for the completion of one hundred and fifty (150) students' capacity dining, kitchen, fitting of windows and doors, plastering, flooring, electricity installation, painting and finishes. However, the following issues were observed;</p> <p>i). No project file provided for audit review.</p> <p>ii). No contract agreement document was provided for audit review.</p> <p>iii). No information on the contract sum and contract period was provided.</p> <p>iv). No information on the total amount so far paid to the contractor was provided for audit.</p>			

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Reference	Issue / Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Timeframe
	<p>Further, physical inspection conducted at the site in November, 2024 revealed that the works had been completed and in use, however, it was not possible to ascertain the scope of works since there were no records to confirm the status of the works that were to be implemented. The propriety of the expenditure amount may be doubtful.</p> <p>Delay in the Implementation of Projects.</p>			
9.	<p><b>i. Project implementation report</b> Detailed analysis of the approved code list and project implementation status report of the Fund revealed that Management of the Fund had approved plan to implement forty-seven (47) projects with an allocated amount of Kshs.113, 506,574. At the time of audit, two (2) projects representing 4% of total projects valued at Kshs.3,800,000 had been completed, nine (9) projects representing 20% of total projects valued at Kshs.26,232,180 were ongoing and thirty-six (36) projects representing 76% of total projects valued at Kshs.83,474,394 had not started as summarized in the table below:</p>			
10.	<p><b>Delayed Construction of a Security project at Tongaren Police Station</b></p>	<p>The delayed implementation is due to the insufficient</p>	<p>Not resolved</p>	<p>December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	
	<p>The Fund awarded a tender for the construction of a security project at Tongaren Police Station to M/s Linemac Enterprises Ltd, vide contract agreement dated 17 June, 2024 at a contract sum of Kshs.8, 204,570. An amount of Kshs.5, 000,000 was transferred to the PMC Account on 11 June, 2024 for the implementation of the project. However, the following issues were observed:</p> <p>i). Funds amounting to Kshs.5, 000,000 for the implementation of the project was transferred to the PMC Account before signing of the contract agreement.</p>	<p>funds. The project was allocated only Ksh 5,000,000 in the FY 2023/2024. The balance of Ksh 6,000,000 to complete the project is allocated in the financial year 2024/2025 budget as per the NG CDFC Plan.</p>		

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**Joyce Wanjala**  
**Fund Account Manager.**

