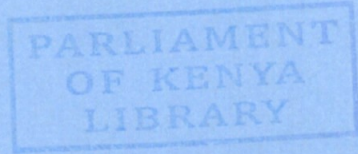


REPUBLIC OF KENYA



# REPORT


OF

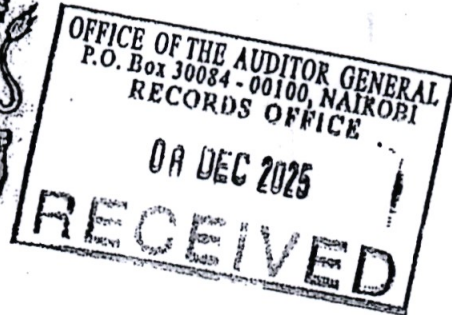
THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND - DAGORETTI NORTH  
CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	12 FEB 2026 <span style="border: 1px solid black; padding: 2px;">DAY. Thursday</span>
TABLED BY:	Hon George Siringoma, MP Oubeking & Co
CLERK-AT-THE-TABLE:	Kannda Tilihi



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**DAGORETTI NORTH CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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

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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 NG-CDF Dagoretti North 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 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	AIE holder	Keziah Muriithi
2.	National Sub-County Accountant	Lucas Oketch
3.	Chairman NGCDFC	Kenneth Adiara Mbalanya
4.	Member NGCDFC	Bertha Malesi Shivachi
5.	Member NG CDFC	Lucy Wambui

**(c) Fiduciary Oversight Arrangements**

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Dagoretti North 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) NG-CDF Dagoretti North Constituency Headquarters**

Lavington Mijikenda Road Suits No. 22  
Off Olenguruone Road  
Nairobi, Kenya.  
P.O. Box 36845-00200 Nairobi

**(e) NG-CDF Dagoretti North Constituency Contacts**

P.O. Box 36845-00200 Nairobi  
Telephone: (254) 743820603  
E-Mail: [cdfdagorettinorth@ngcdf.go.Ke](mailto:cdfdagorettinorth@ngcdf.go.Ke)  
Website: [www.dagorettinorthngcdf.go.ke](http://www.dagorettinorthngcdf.go.ke)

**(f) NG-CDF Dagoretti North Constituency Bankers**

1. Bank A. (Operations Account).

Equity Bank  
Kilimani Supreme Branch  
P. O Box 75104  
Nairobi, Kenya

2. Bank B. (Deposit account).

Equity Bank  
Kilimani Supreme Branch  
P. O Box 75104  
Nairobi, Kenya

3. Bank C. (PMC Accounts).

Equity Bank  
Kilimani Supreme Branch  
P. O Box 75104  
Nairobi, Kenya

**(g) Independent Auditor**

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






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

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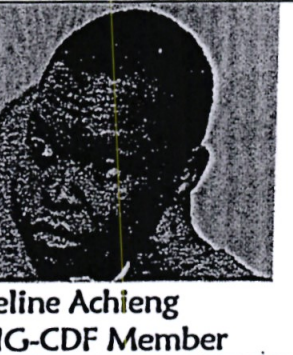

**(h) Principal Legal Adviser**

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

**3. NG-CDF Committee**

Name	Details
 <b>Kenneth Adiara- Chairman</b>	<p>Date of Birth: 30/08/1976                      Academic Qualifications: Masters of Christian Strategic Leadership and Governance                      Work Experience: Pastor from 2003 and Served as NG-CDF Member from December 2022</p>
 <b>Lucy Wambui Musa NGCDF- Member</b>	<p>Date of Birth: 6<sup>th</sup> July 1984                      Academic Qualifications: Kenya Certificate of Secondary Education                      Work Experience: Worked as Business Lady and Served as NG-CDF Member from December 2022</p>
 <b>Evans Miano NG-CDF Member</b>	<p>Date of Birth: 1971 August 24<sup>th</sup>                      Academic Qualifications: Kenya Certificate of Secondary Education and Certificate in Computer Packages                      Work Experience: Worked as Sales Person for Car and General and Transami Kenya and Served as NG-CDF Member from December 2022</p>
 <b>Bertha Malesi NG-CDFC Secretary</b>	<p>Date of Birth: 5<sup>th</sup> August 1978                      Academic Qualifications: Bachelor of Business Management Degree (Purchasing and Supply Option)                      Work Experience: Over 10 years working experience as an office Secretary and Procurement Assistant and Served as NG-CDF Member from December 2022</p>
 <b>Jackline Kerubo NG-CDF Member</b>	<p>Date of Birth: 02/05/1976                      Academic Qualifications: Form Four Kenya Certificate of Secondary Education                      Work Experience: House Keeping &amp; Business Lady and Served as NG-CDF Member from December 2022</p>

**National Government Constituencies Development Fund (NGCDF)  
Dagoretti North Constituency  
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	<p>Date of Birth: 24<sup>th</sup> December 1995 Academic Qualifications: Form Four- Kenya Certificate of Secondary Education Work Experience: Security Personnel and Business Person</p>
	<p>Date of Birth: 29/10/2001 Academic Qualifications: Certificate in Air Cargo Inventory Work Experience: Worked as Hotel Waitress</p>
	<p>Date of Birth: 03/03/1986 Academic Qualifications: Class Eight - Kenya Certificate of Primary Education Work Experience: Worked with UDPK for mobilization of the PWD Members</p>
	<p>Date of Birth: 09/07/1986 Academic Qualification: Bachelors' degree Work Experience: Cooperative Bank of Kenya, NGCDF Board</p>

**NG-CDFC Members Who Exited during the Financial Year**

Name	Position	Period Served
1. Edwin Mugonyi	Member	2022-2025
2. Phoebe Mungai	Chairperson	2022-2025
3. Zubedi Ombidi	Member	2022-2025

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



**Bishop Kenneth Adiarra**

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

Dagoretti North Constituency Is One Of 17 Electoral Constituency of Nairobi County. It Was Curved from The Former Dagoretti and Westlands Constituencies, And Borders Westlands, Kibra, Dagoretti South, Langata, and Starehe Constituencies. The Constituency Has Five Wards, Which Include Kilimani, Kawangware, Gatina, Kileleshwa, And Kabiro. It Has a Population of About 0.5 million and 157,659 Registered Voters as Per The 2022 Voter Roll. The Serving Member of Parliament Is Hon. Beatrice K. Elachi (CBS)

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

We have had notable success in implementation of projects especially those that transform lives of our community in the constituency through areas such as Education, security, climate change mitigation and bursary awards to needy students within the constituency.

In the current financial year, Dagoretti North NG-CDF had a total budget allocation of ksh. 179,483,419 presented to the Board. In general, the NG-CDF received a total of ksh.

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

214,306,948.00 where ksh. 148,483,419.00 relates to the just ended financial 2024-2025 whereas the remaining ksh 65,823,529.00 relates to the previous financial year.

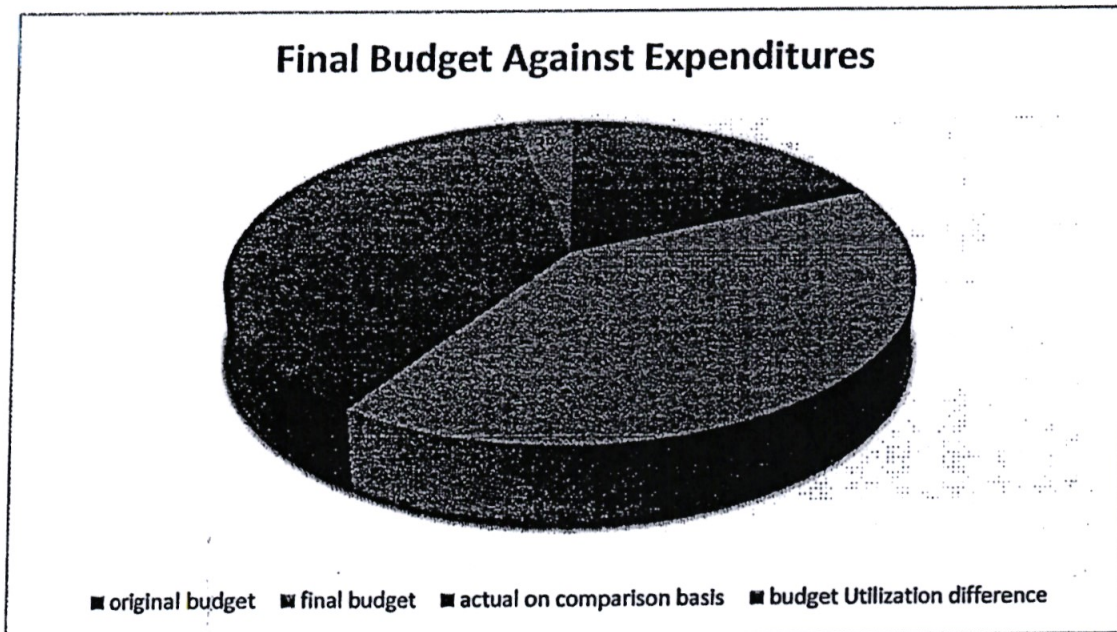
Despite the delay in disbursement of funds, we have been able to implement and complete more than 59% of projects. A number of new Classrooms have been done in both schools (both primary and secondary). We were also able to expand improve infrastructure, mainly classrooms and halls, in the existing schools.

The fund has been able to improve the status of the constituency to a fully-fledged subcounty through the Construction of offices at Gatina Chiefs Camp which hosts the DCC as we await the construction of more offices. There has been improvement in the environmental activities that has enhanced climate change mitigation through afforestation.

Despite the successes achieved, there were challenges encountered along the way and the emerging issues that the constituency had to cope with.

a. Pie chart showing utilization difference against total budget.

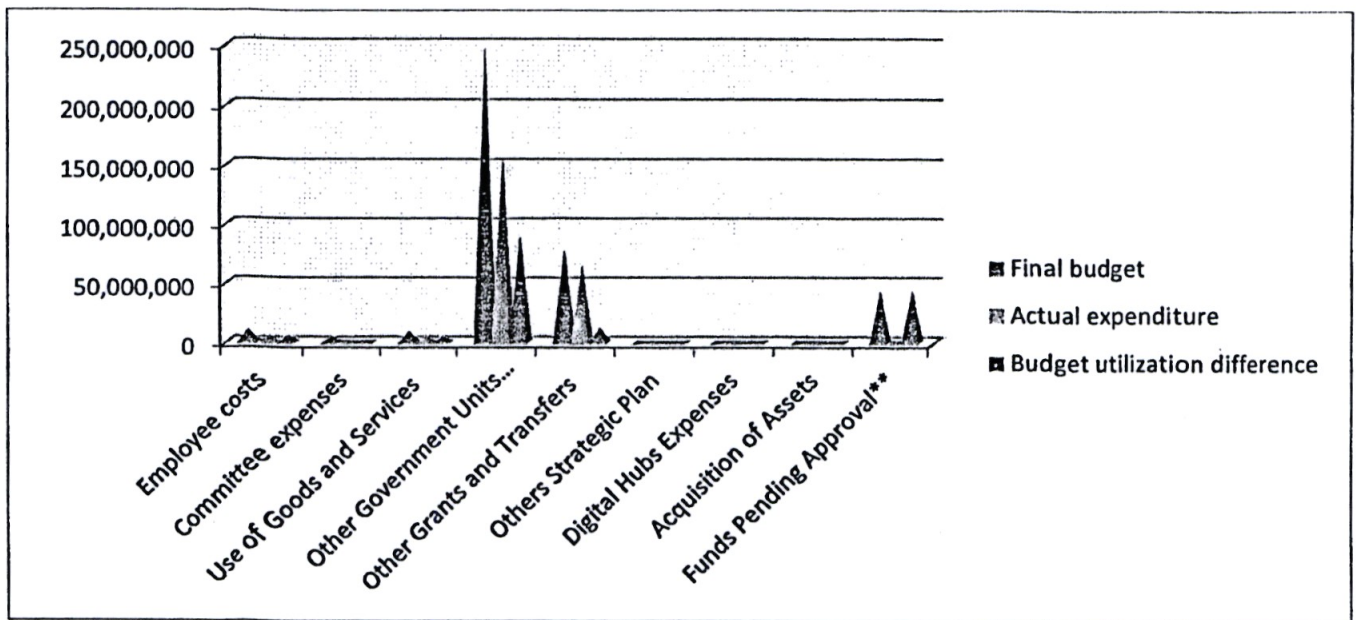
No.	Item	Amount
1.	Original Budget	179,483,419
2.	Final Budget	394,874,142
3.	Actual on Comparable Basis	363,912,142
4.	Budget Utilization Difference	30,962,000



1/Na

**b. Bar chart showing utilization difference against total budget.**

Expenses	Final budget	Actual expenditure	Budget utilization difference
Employee costs	10,168,196	3,977,900	6,190,296
Committee expenses	4,993,644	2,568,960	2,424,684
Use of Goods and Services	9,829,418	4,889,837	4,939,581
Other Government Units Certified Works	247,689,941	157,502,407	90,187,534
Other Grants and Transfers	77,903,179	65,298,558	12,604,621
Others Strategic Plan	27,500	-	27,500
Digital Hubs Expenses	-	-	-
Acquisition of Assets	634,065	-	634,065
Funds Pending Approval**	43,628,200	-	43,628,200



From the above analysis the performance of Dagoretti North NG-CDF has been commendable given the circumstances and this was as a result of team work among the NG-CDFC and other stakeholders.

The construction of additional classrooms reduced the challenges that the various schools were facing more so the Junior Secondary schools  
 Bursaries issued to other 15,000 students across the constituency enabled the needy students to learn without interruptions

**Key Achievements**

**Project 1. Construction Of 16 Classes at Gatina Primary School**

The Project Entails Construction Of 16 Classrooms at one of the most populated slam schools in Dagoretti North Constituency. It eases the Congestion in the School hence improves the learning conditions in the Institution.



***Gatina Primary School- Construction of 116 Classrooms***

**Project 2: Construction of 120 Student Capacity Dormitory at Jacaranda Special School**

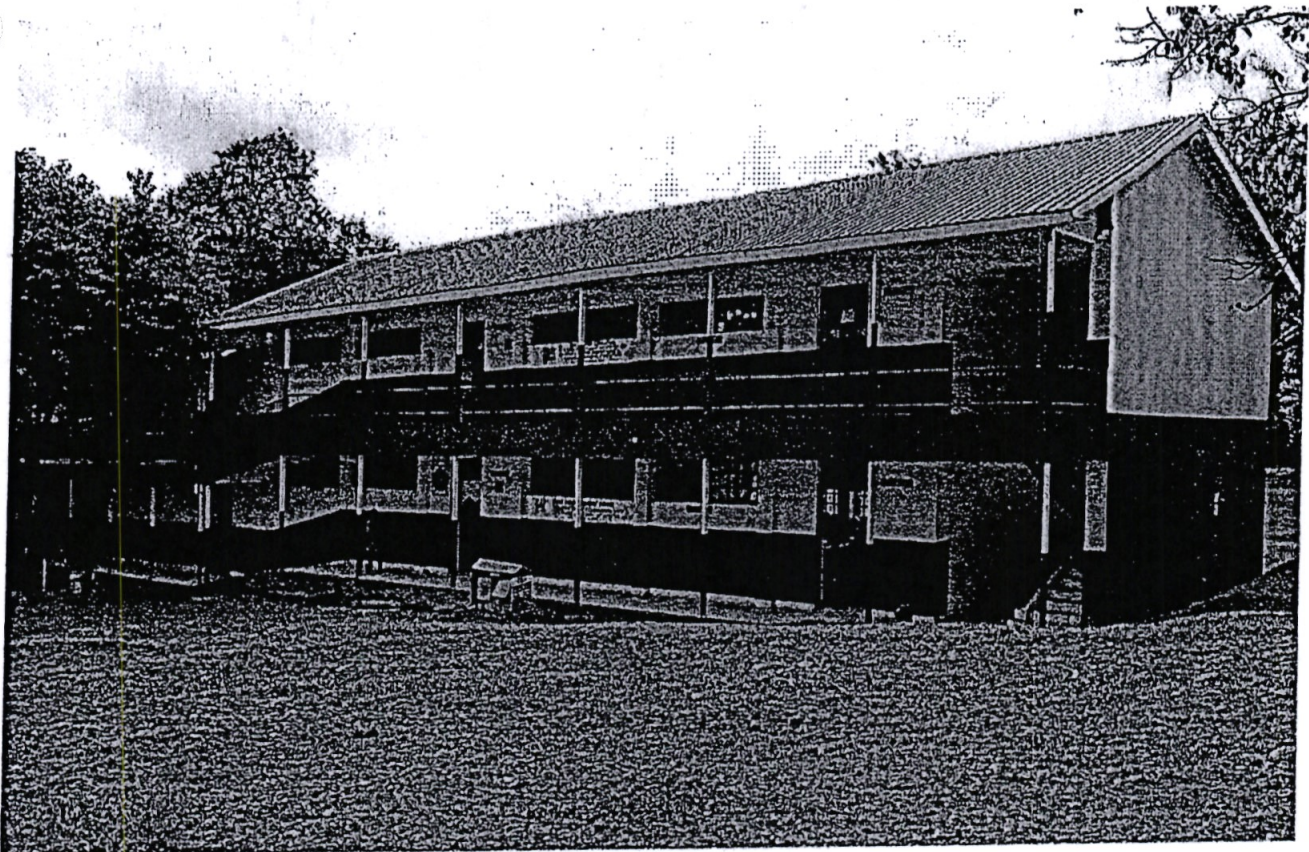
The project entails Construction of 120 capacity Dormitory for the challenged students. This helps in improving the learning conditions.



*Jacaranda Special School – Construction of 120 Capacity Dormitory*

Project 3: Construction of Two Classrooms at State House Primary School

The Project Entails Constructions of Two Classrooms at the Ground Floor with a slab. This helped in creating the space for the Junior Secondary Students with the school through the Ministry of Education adding two Classes on the First Floor.



*State House Primary School- Construction of Classrooms*

**Project 4: Planting of Trees and Sensitization on Climate Change**

This aims at environmental conservation through planting of trees and increasing the awareness to members of the public on how environmental Conservation should be done





*Climate change through Planting of trees and Sensitization on Climate Change Issues*

### **EMERGING ISSUES**

The Following Are Some of The Emerging Issues That Are Experienced As A Result Of The Current Economy.

#### **1. Restructuring Of The Education Funding**

The Move By The Government To Restructure The Education Funding For The Tertiary Institutions Through Changing Of The HELB Funding Structure Has Brought A Lot Of Pressure To The NG-CDF Bursary Funds As Many Students Are Now Seeking For Scholarships From The Constituency To Enable Them Continue With Their Studies

#### **2. Junior Secondary School**

The Introduction of The Junior Secondary School Through the CBC Education System Has Brought A Lot Of Pressure To The Existing Facilities In Various Primary Schools. There Is Need For Construction And Equipping Of New Classrooms And Laboratories To Accommodate The Students.

#### **3. Inflation Rates**

With The Current Economic Position Where The Rate Of Exchange Of Kenyan Shillings To Dollar Continues To Rise, There Has Been An Increased In The Cost Of Construction Materials. Hence Those Projects That Were Submitted To The Board Before Inflation May Not Be Completed With The Original Budgeted Cost Necessitating Need For Variations And Additional Funding.

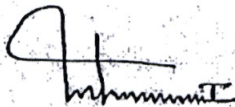
### **IMPLEMENTATION CHALLENGES AND SOLUTIONS**

- Many Projects Delayed Due To The Late Disbursement Of Public Funds. We Hope That This Will Improve To Enable Us Do The Projects In Time. We Have Been However Able To Utilize The Funds Adequately As They Are Disbursed By The Board
- There Is Also A Challenge In The Education Funds Set For Bursary. The Number Of Needy Students Are Many Compared To The Available Funds For The Same. However, We Have Been Able To Seek For Help From Other Government Organizations On The Same And Enable Most Of The Needy Students Get Scholarships. We Also Wish To Increase The Amount Allocated To Bursary Funds In The Coming Financial Years.
- The Range Of Staff Salaries-Amount Paid To The Employees At The Constituency Level Doesn't Attract Those Who Are Capable Of Delivering As Per The Requirements Set By

The Board. However, We Have Been Always Able To Do Continuous Capacity Building And Training Where Necessary For Our Staff To Enable Them Deliver.

- Getting Acknowledgement Receipts From The Members Of The Public When They Are Issued With Bursary Has Been A Challenge. We Have Been Able To Disburse Combined Cheque To Those Schools That Are Closer Or Where Students Are Many In One School And This Has Enabled Us Get A Few Bursary Acknowledgement Receipts And Hence Meet The Requirements Set For The Same. We Have Also Been Doing Civic Education And Awareness Of The Need For The Bursary Beneficiaries To Bring Back Bursary Acknowledgement Receipts From The Institutions Once They Have Collected Their Cheques And Taken Them To Schools.

Otherwise, The Impact Of The NG-CDF Kitty Is Felt Countrywide And We Hope And Pray That The Fund Lives Longer And Longer In Order To Impact Positively More And More Lives In Kenya.



.....  
Name: Kenneth Adiara  
Chairman NG-CDF Committee

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

### Introduction

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

The key development objectives of the *NG-CDF Dagoretti North Constituency 2023-2027 plan* are to:

- a. To Implement Comprehensive Planning And Prioritize Development Projects Aimed At Creating Optimal Learning Conditions For Students In Schools.
- b. To Empower Youth, Women, And Persons with Disabilities (PWD) By Facilitating Their Acquisition of Fundamental Skills Through Targeted Programs That Equip Them with The Necessary Tools And Knowledge To Thrive In Society.
- c. To Foster Effective Participation and Community Involvement in The Development Processes to Create a Sustainable And Safe Living Environment Where All Voices Are Heard And Valued.
- d. To Strengthen the Economic Capacity of Residents, Enabling Self-Sufficiency And Independence By Providing Opportunities For Skills Development And Entrepreneurship For Job Creation And Improved Living Standards.

### Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To Have All Children of School Going Age Attending School	Increased Enrolment In Primary Schools And Improved Transition To Secondary Schools And	Increased Number of Classrooms and Increased Number of Bursary Beneficiaries	In FY 2024/25 -We Have Constructed 60 New Classrooms. We Have Also Increased the Number of Bursary Beneficiaries in Secondary Schools From 9,000 To 10,000 Students and

**National Government Constituencies Development Fund (NGCDF)**  
**Dagoretti North Constituency**  
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		Tertiary Institutions		Tertiary Institutions Beneficiaries from 5,000 to 6,000 Students.
Security	Equip, Facilitate and Enhance Capacity of Provincial Administration and Other Security Organs in Order to Improve Service Delivery	Develop And Enhance Provincial Administration and Other Security Organs Infrastructure to Enhance Service Delivery	Number Of Usable Physical Infrastructure Built in Locations, Sub Locations and Police Stations	We have done construction of Gatina chiefs Office and Equipping which currently host the DCC for Dagoretti North
Climate change mitigation activities	Improve Access to Clean Water And A More Sustainable And Conserved Environment Through Natural Resources Conservation Initiatives	Equip Schools with Good Energy Saving Jikos, Wash Points, Water Tanks And Environmental Garbage Bins	High Number of Energies Saving Jikos, Wash Points, Environmental Garbage Bins and Water Tanks Installed	We Have Set Up Environmental Garbage Collection Bins in all the schools in Dagoretti North, engaged in Climate change Mitigation sensitization exercise and planting of trees in ten schools in Dagoretti North Constituency
Emergency	Improve The Mechanism Used In Handling Disasters	Reduce Loss of Live and Properties	Number Of Staircases and Rumps Put in Place.	We have ensured that the Ablution toilets and Classrooms done are PWD friendly.

## **6. Governance Statement Introduction**

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. The Officer Of The Board Facilitated The Process Of Nomination Of The NG CDFC For Onward Forwarding To The Board For Appointment Through Gazette Notice.

In This Regard 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:

- a) One Person Nominated By National Government Official In Charge Of Sub County Or Designated Representative Who Shall Chair The Panel
- b) Officer Of The Board Seconded To The Constituency Who Is Be The Secretary Of The Selection Panel
- c) Two Persons One Of Either Gender Nominated By The Constituency Office (Established Under Regulations Made Pursuant To The Parliamentary Service Act)

Further The NG-CDF Regulations Requires That One To Serve As Member Of The NG-CDF 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.

### **Appointment Of National Government Constituency Development Fund Committee**

(1) There Is Established A National Government Constituency Development Fund Committee For Every Constituency.

(2) Each 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 Persons 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 Subsection (2)(B), (C), (D) And (E) Shall Be Selected In Such Manner And Shall Have Such Qualifications As The Board May, By Regulations, Prescribe.

(4) The Names Of The Persons Selected Under Subsection (3) Shall Be Submitted By The Board To The National Assembly For Approval Before Appointment And Gazettement By The Board.

(5) The Regulations Made Under Subsection (3) Shall Be Submitted To The National Assembly For Approval Before Publication By The Board.

(6) The First Meeting Of The Constituency Committee Shall Be Convened Within One Hundred And Twenty Days Of The Commencement Of A New Term Of Parliament Or The Date Of The Holding Of A By-Election, By The National Government Official At The Constituency Or In His Or Her Absence, By An Officer Of The Board Seconded To The Constituency.

(7) The Quorum Of The Constituency Committee Shall Be One Half Of The Total Membership.

(8) The Term Of Office Of The Members Of The Constituency Committee Shall Be Two Years And Shall Be Renewable But Shall Expire Upon The Appointment Of A New Constituency Committee In The Manner Provided For In The Act, Or As May Be Approved By The Board.

(9) The Fund Account Manager Seconded By The Board To The Constituency Shall Be The Custodian Of All Records And Equipment Of The Constituency During The Term Of Parliament And During Transitions Occasioned By General Elections Or A By-Election.

(10) Whenever A Vacancy Occurs In The Constituency Committee By Reason Of Resignation, Incapacitation Or Demise Of A Member The Vacancy Shall Be Filled From The Same Category Of Persons Where The Vacancy Has Occurred Within A Period Of One Hundred And Twenty Days.

(11) The Constituency Committee Shall Meet At Least Six Times In A Year But The Committee Shall Not Hold More Than Twenty-Four Meetings In The Same Financial Year, Including Sub-Committee Meetings.

#### **Process Of Formation Of The NG-CDF Committee**

To Facilitate This, The Selection Panel Invited Interested And Qualified Members Of The Public For Appointment To The NG-CDF Committee. The Panel Invited The Public Through Advertisement Publicised In Churches, Public Offices Notice Boards At The Chiefs And Assistant Chiefs Offices And Other Public Areas In The Constituency.

Out Of the Total 11 Applicants, The Selection Panel Developed A Shortlisting Criterion Which Enabled Identification Of The Nominees For Interviews. The following were selected as the members.

- |                            |                               |
|----------------------------|-------------------------------|
| 1. Kenneth Adiara Mbalanya | - Male Adult Representative   |
| 2. Evans Gichuki Miano     | - Male Adult Representative   |
| 3. Wales Asiaya Imoli      | - Male Youth Representative   |
| 4. Bertha Malesi Shivachi  | - Female Adult Representative |
| 5. Lucy Wambui Musa        | - Female Adult Representative |
| 6. Racheal Ambasa          | - Female Youth Representative |

**Nominee Of The Body Representing Persons With Disability**

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT
1.	Seline Achieng	Empowerment Women with Disability Network	Ambulatory

Upon Further Consultation With The Panel And The Constituency Office, Members Agreed To Recommend For Co-Option By The NG-CDF Board As Per Section 43 Subsection 2(G) As

S/N	Name	Gender	Ward
1.	Jackline Morebu	Female	Kawangware

The Above Committee Was Gazetted On 21<sup>st</sup> May 2025 by The Chief Executive Officer of The Board Via Gazette Notice Vol. CXXVII-No. 98

The Members Took Over the Office On The First Meeting On 29<sup>th</sup> May 2025 And Went Through The Process Electing The Chairperson And The Secretary Of The Committee. The Following Members Were Elected.

1. Chairperson                      -Mr. Kenneth Adiara Mbalanya                      ID No. 20009541
2. Secretary                              -Ms. Bertha Malesi Shivachi                              ID No. 21847375

During Its First Meeting, A Constituency Committee Established Sub-Committees Necessary For The Proper Performance Of Its Functions In Accordance With The Guidelines Issued By The Board. The Two Subcommittee Are As Follows:

- i.        Bursary Sub Committee
- ii.      Complaints Resolution Sub Committee
- iii.     Monitoring and Evaluation Sub Committee

The Following Were Appointed To The Different Committee

**1. Bursary Subcommittee**

Chairperson- Bertha Malesi

Member    - Seline Achieng

Member    - Subcounty Education Director

Secretary   - FAM

**2. Complaints Subcommittee**

Chairperson- NG-CDFC Chair

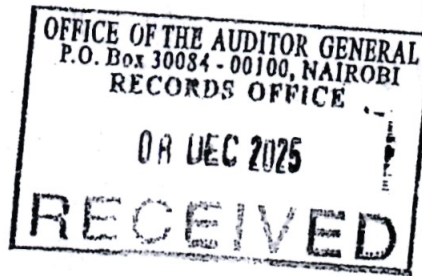
*National Government Constituencies Development Fund (NGCDF)  
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Member - Bertha Malesi  
Member - DCC  
Secretary - Walles Imuli

**3. M&E Subcommittee**

Chairperson- Evans Miano  
Member - Jackline Kerubo  
Member - Lucy Wambui  
Secretary - Rachel Ambasa



The Term Of Office For The Members Of The Constituency Committee Is Two Years And Will Be Renewable But Shall Expire Upon The Appointment Of A New Constituency Committee In The Manner Provided For In The Act.

**Roles And Functions Of NG-CDFC**

The Functions Of The National Government Constituency Development Fund Committees Members As Stipulated In NG-CDF Regulations 2016(11) Are;

- Convene Public Meetings In Every Ward In The Constituency To Deliberate To On Development Matters.
- Deliberate On Project Proposals And Any Other Projects Considers Beneficial To Constituency.
- List Of Projects To Be Submitted In Accordance With The Act To Be Submitted To The To The Board And Ensure That All Proposed Projects That Are Approved For Funding Meet The Requirements Of Section 24 Of The Act.
- Ensure Formation Of Project Management Committees, Opening Of Project Accounts, Project Implementation And Closure Of Projects Build The Capacity Of Project Management Committees And Sensitize The Community On The Operations Of The Fund
- Ensure That All Projects Receive Adequate Funding And Are Completed Within Three Years.
- Monitor The Implementation Of Projects In Accordance With The Monitoring And Evaluation Framework Prescribed By The Board.

- 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.
- Recommend To The Board The Removal Of A Committee Member In Accordance With Section 43(13) And (14) Of The Act.
- Enter Into Performance Contracting With The Board On An Annual Basis.

#### Removal Of NG-CDFC Members

Section 43(13) Of The Act Provides That A Member Of The Constituency Committee May Be Removed From Office On Any One Or More Of The Following Grounds-

- (i) Lack Of Integrity;
- (ii) Gross Misconduct;
- (iii) Embezzlement Of Public Funds;
- (iv) Bringing The Committee In to Disrepute Through Unbecoming Personal Public Conduct;
- (v) Promoting Unethical Practices
- (vi) Causing Disharmony Within The Committee;
- (vii) Physical Or Mental Infirmary.

A Decision To Remove A Member Under Subsection (13) Is Made Through A Resolution Of At Least Five Members Of The Committee And The Member Ought To Be Removed Shall Be Given A Fair Hearing Before The Resolution Is Made.

In Dagoretti North The NG-CDFC Has Not Found Any Member To Have Contravened The Laid Down Regulations And Law To Warrant Removal.

#### Training Of NG-CDFC Members

In The Financial Year 2024/2025 The NG-CDF Board Organized Training Of NGCDFC Members. During The Training, Critical Areas Such As Public Finance, Project Planning, Procurement, Complaint Management, Performance Management Were Covered To Equip Them With The Prerequisite Knowledge And Skills To Ensure Effective And Efficient Management Of NG-CDF Dagoretti North.

**National Government Constituencies Development Fund (NGCDF)  
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**Number Of Meetings Held**

According To The NG-CDF Act 2015, Section 43(1), The NGCDF Committee Is Required to Hold A Maximum Of 24 Meetings In A Year Including Any Subcommittee Meetings. Dagoretti North Constituency Held a Total Of 11 Meetings in The Financial Year 2024-2025 And The Attendance Was As Follows.

NO.	NG-CDFC COMMITTEE MEMBERS	17 <sup>th</sup> July 2024	26 <sup>th</sup> August 2024	20 <sup>th</sup> Sept 2024	20 <sup>th</sup> October 2024	5 <sup>th</sup> Nov 2024	15 <sup>th</sup> Dec 2023	7 <sup>th</sup> Jan 2025	17 <sup>th</sup> Feb 2025	27 <sup>th</sup> March 2025	30 <sup>th</sup> April 2025	29 <sup>th</sup> May 2025
1	Walis Imuli - Member											✓
2	Bertha Malesi-Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Kenneth Adiara-Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Lucy Wambui-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Rachel Ambatsa-Member											✓
6	Evans Miano-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Seline Achieng-PWD											✓
8	Jackline Morebu-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Keziah Muriithi-FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	George Juma – DCC									✓	✓	✓
11	Phoebe Mungai Former Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
12	Edwin Mugonyi – Former Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
13	Zebedi Ombidi-Former PWD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
14	Hellen Manyonyi Former ACC	✓	✓	✓	✓	✓	✓	✓				

**Ethics & Conduct**

Members Of NGCDFC Are Required To Observe The Following Ethical Issues

- i. Confidentiality-The NG-CDFC Members Have A Responsibility To Ensure Confidentiality Unless In Situations Required By Law.
- ii. Honesty And Integrity-NGCDFC Members Have A Duty To Declare Any Private Interest Relating To Their Public Duties And To Take Steps To Resolve Any Conflict Arising In A Way That Protects The Public Interest.

iii. Leadership- NGCDFC Members Should Promote Leadership In The Constituency.

During The Financial Year 2024/2025 Members Of NG-CDFC Dagoretti North Adhered To The Above Ethical Issues.

**Members Remuneration**

NG-CDFC Members Are Not Entitled To Payment Of Salary. However, The Chairperson Of NG-CDFC Is Entitled To An Allowance Ksh. 7,000.00 Per Meeting And All Other Members An Allowance Of Ksh. 5,000.00 Per Sitting. All NGCDFC Members Should Adhere To General Ethics And Code Of Conduct As Stipulated In The NGCDF Act.

In This Financial Year The NGCDFC Members Adhered To The Cabinet Secretary's Circular On Members Sitting And Field Allowances.

**Disclose Policy On Conflict Of Interest**

A Member Who Has An Interest In Any Contract, Or Other Matter Present At A Meeting Shall At The Meeting And As Soon As Reasonably Practicable After The Commencement, Disclose The Fact Thereof And Shall Not Take Part In The Consideration Or Discussion Of, Or Vote On, Any Questions With Respect To The Contract Or Other Matter, Or Be Counted In The Quorum Of The Meeting During Consideration Of The Matter. A Disclosure Of Interest Made Shall Be Recorded In The Minutes Of The Meeting At Which It Is Made. In The Financial Year 2024/2025 No Member Of NG-CDFC Dagoretti North Contravened Conflict Of Interest Policy.

**Risk Management**

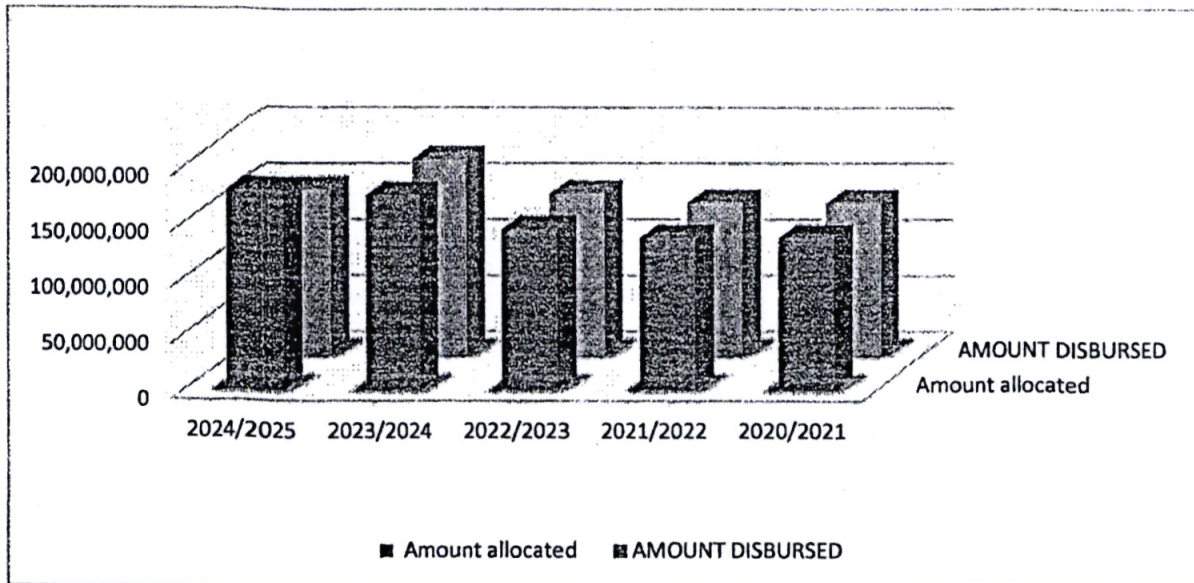
Risk Management Has Been Integrated In The Constituency Operations Through The Following; Training Of The NGCDF Staff In Their Respective Technical Areas Of Service To Ensure They Carry Out Their Roles Efficiently, Training Of The Ngcdfcs And The Pmcs To Equip Them With Additional Knowledge To Carry Out Their Duties Efficiently Within Their Mandates And Regulations, The Fund Account Manager Avails Himself With All The Support And Required Resources To Ensure That The Identified Risk Does Not Hamper With The Delivery Of Service.

Some Of The Risk Mitigation Strategies That NG-CDFC Dagoretti North Has Implemented Include The Following: Implementing Audit Findings And Recommendations, Adherence And Compliance With NGCDF Act 2015 And Other Laws And Regulations To Ensure An Effective And Efficient Control System, Ensuring That NGCDFC Members Are Actively Engaged In The Projects Implementations And Overall Fund Utilization In The Constituency, Ensuring That The Staff Responsible For Statutory Deductions Are Well Aware Of The Due Dates Of Remittance, Allocating Insurance Fund In The Constituency Budget, Preparation Of Procurement Plan, Budget And Monitoring & Evaluation Plan For The Financial Year. Conducting Public Participation Within The Prescribed Time Lines To Ensure The Constituents Are Involved In Project Identification.

**7. Management Discussion and Analysis**

The National Government Constituency Development Fund has been instrumental in Kenya’s development. As it has allocated billions of shillings to various constituencies since its inception. Here’s an overview of Dagoretti North NG-CDF operational and financial performance over the past five years.

Financial Year	Amount Allocated (Ksh.)	Amount Disbursed (Ksh.)
2024/2025	179,483,418.97	148,483,419.00
2023/2024	175,361,810.00	175,361,810.00
2022/2023	145,087,603.00	145,087,603.00
2021/2022	137,088,879.00	137,088,879.00
2020/2021	137,120,879.31	137,120,879.31



**Dagoretti North NG-CDF Financial Performance**

**Operational Performance:**

Dagoretti North NG-CDF has implemented various projects across the constituency, focusing on education, security, and infrastructure development.

The fund has been instrumental in

- a. Education: Funding schools, classrooms and bursaries
- b. Security: Constructing National Government Administration offices, chief’s/assistant chief’s offices and police offices.
- c. Infrastructure Development: Supporting various infrastructural projects.
- d. Climate Change Mitigation: Enhancing conservation and afforestation in the constituency

**Key projects implemented or On-going.**

- 1. Gatina Primary School
  - Construction of 16 Classrooms

- Renovation of Nine Classrooms
  - Purchase and Delivery of Lockers and Chairs.
2. Jacaranda Special School
    - Construction of 120 Capacity Dormitory
  3. Gatina Chiefs Office
    - Construction of Storey Office
    - Equipping of the Offices with Furniture
  4. Kawangware Primary School
    - Construction of 16 Classrooms
    - Construction of 200m Perimeter Wall
    - Construction of Laboratory
    - Renovation of 6 Classrooms
    - Purchase and Supply of 200 Lockers and Chairs

#### **Anticipated Project Impact**

- Increased security in Dagoretti North Constituency with the operationalization of the DCCs Office
- Decongestion of the existing infrastructures within the institution hence improvement in the learning environment.
- Increased intake of learners in the institutions as a result of the additional classrooms done.

#### **Compliance with statutory requirements**

Dagoretti North NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, PFM Act 2012, PPADA2015 and many other relevant laws and has been in full compliance of the same.

Dagoretti North NG-CDF has been able to meet its obligations for instance payment of taxes like VAT withholding tax, Pay as you Earn tax among others and the constituency is committed to operate within the law even in the future.

#### **Major Risks facing the Fund**

Despite its successes, NG-CDF faces challenges such as:

1. Delayed Disbursement of funds- NG-CDF has faced challenges with delayed disbursement of funds from National Treasury, which affects project implementation and service delivery
2. Inadequate Budget Allocation- The funds allocation is based on the percentage of the national revenue, which may not be sufficient to meet the development needs of constituencies.

3. Fiscal pressure- The country's fiscal pressure such as debt repayment can impact availability of funds for NG-CDF
4. Institutional Challenges- NG-CDF faces institutional challenges that hinder effective utilization of funds, including inadequate monitoring and evaluation.

#### **Fund's Review on Economy**

NG-CDF has been a crucial factor in Kenya's economic development, particularly at the grassroots level. Here's a review of its economic impact:

- Funding Allocation- NG-CDF allocates funds directly to constituencies, supporting local development projects in education, infrastructure, and other essential services.
- Development projects: The fund has implemented various projects including construction of schools improving living standards and access to basic services.
- Economic Growth: By investing in local projects, NG-CDF contributes to economic growth, job creation, and poverty reduction in constituencies.

#### **Future Development of the Fund**

NG-CDF in Kenya is expected to continue focusing on key areas like education, infrastructure, and economic empowerment with a growing emphasis on digital literacy and sustainable development.

The fund will expand its reach through initiatives like constituency innovation hubs and digital hubs at the ward level to enhance access to online opportunities and improve efficiency through automation.

NG-CDF is involved in tree planting projects highlighting a growing focus on environmental sustainability.

Projects like police offices, provision of bursaries, construction of educational infrastructure, demonstrate a commitment to community development, improve security, support students' education, and improve public service.

It also partners with Social Health Authority to provide health insurance to vulnerable households contributing to government's universal health coverage goals.



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**Name: Keziah Muriithi  
Fund Account Manager**

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

Dagoretti North NG-CDF is committed to climate change mitigation and environmental conservation as envisaged in its service charter.

In this regard, the constituency through the NG-CDFC allocated sufficient funds towards planting indigenous trees in most public Institutions as a response to sustainable environmental conservation

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

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

- a. **Education and Training:** Dagoretti North 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, NG-CDF has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for law enforcement agencies while collaborating with the community in trust on matters of security.
- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reafforestation, grassroots sensitization, and tree seedling production.

## 2. Environmental performance

Environmental matters relate to mitigation of the climate change effects that has been put forward as a government agenda. The recent amendment of NG-CDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NGCDF Fund. Dagoretti North NG-CDF in its 2024-2025 planted seedlings in 10 Schools within the constituency.

## 3. Employee welfare

We invest in providing the best working environment for our employees. Dagoretti North constituency recruitment is guided by Employment Act, NG-CDF 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. xxx 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-

Dagoretti North Constituency is committed to fair and ethical market practices.

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

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

NG-CDF has put in efforts to ensure:

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

#### 5. Community Engagements-

Dagoretti North 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**

Dagoretti North 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.

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



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**Name: Keziah Muriithi  
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- Dagoretti North 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- Dagoretti North 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- Dagoretti North 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)  
Dagoretti North Constituency  
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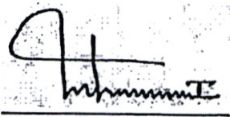
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The Accounting Officer in charge of the NGCDF Dagoretti North Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's 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- Dagoretti North Constituency financial statements were approved and signed by the Accounting Officer on 02.12.2025



Name: Kenneth Adiara  
Chairman – NGCDF Committee



Name: Keziah Muriithi  
Fund Account Manager

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - DAGORETTI NORTH 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 - Dagoretti North Constituency set out on pages 1 to 57, 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 position of National Government Constituencies Development Fund - Dagoretti North Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015, (Amended 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **Unsupported and Unutilized Project Management Committee Bank Balances**

The statement of financial position reflects a cash and cash equivalents balance of Kshs.129,674,480 which as disclosed in Note 19 to the financial statements includes Project Management Committee (PMC) balances totalling Kshs.33,369,590 as detailed in Annex 2. However, the cash books, bank confirmation certificates and bank reconciliation statements in support of the Project Management Committee balances of Kshs.33,369,950 were not provided for audit. Further, Note 19 to the financial statements reflects a cash and cash equivalents comparative balance of Kshs.149,567,194 which includes a PMC balance of Kshs.64,271,113. However, the prior year audited financial statements reflects a PMC closing balance of Kshs.49,860,151 resulting to an unexplained and unreconciled balance of Kshs.14,410,962.

In addition, included in the PMC balance of Kshs.33,369,591 are funds totalling Kshs.2,664,228 as analysed below still held in Project Management Committee Accounts despite the projects having been finalized and final retention monies paid.

<b>PMC Name</b>	<b>Amount (Kshs)</b>
Riruta HGM Primary School	114,688
Kileleshwa Primary	147,387
Lavington Primary	199,089
Gatina Primary	1,469,693
St. Georges Girls Secondary	67,289
Precious Blood Girls Secondary	143,610

Kenya High	9,161
Kileleshwa Police Station	77,995
Muthangari Police Station	416,101
Kileleshwa Chiefs Camp	2,500
Kilimani Police Station	16,190
DN NG-CDF PMC Account	525
<b>Total</b>	<b>2,664,228</b>

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.129,674,480 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Dagoretti North 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 expenditure amount of Kshs.234,237,662 against actual receipts of Kshs.363,912,142 resulting to an under-utilization of Kshs.129,674,480 or 36 % of actual receipts.

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

My opinion is not modified on 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 prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources, respectively. Review of the status during audit of National Government Constituencies

Development Fund - Dagoretti North Constituency in 2024/2025 revealed that the following matters remained unresolved:

	<b>Financial Year</b>	<b>Audit Issue</b>
1.	2023/2024	Unutilized PMC Bank Balances
2.	2023/2024	Unsupported Cash and Cash Equivalents
3.	2023/2024	Budgetary Control and Performance
4.	2023/2024	Irregularities in Implementation of Primary and Secondary School's Projects

### **Other Information**

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

In connection with my audit on the National Government Constituencies Development Fund - Dagoretti North Constituency 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 and 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. Non-Compliance with National Cohesion and Integration Act, 2008 on Ethnic Diversity**

The statement of financial performance and Note 10 to the financial statements reflects an amount of Kshs.5,610,670 for employee costs. Review of employee records for the Fund revealed that the dominant ethnic community employed by the Fund constitutes 67% that is (4) of the total population of 6 staff. This is 34% above the provision of National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community. This is above the provision of National Cohesion and Integration Act ,2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

## **2. Underrepresentation of Persons with Disabilities**

The statement of financial performance and Note 10 to the financial statements reported an amount of Kshs.5,610,670 for employee costs. Review of staff composition indicates that none of the six (6) employees were identified as persons with disabilities (PWDs). This was contrary to the provisions of the Persons with Disability Act, 2025-part II, Section 4 (Obligations of the National and County Governments) which requires organizations to promote the inclusion and integration of persons with disability in the public service and put in place measures to ensure that at least five (5%) per centum of the employment positions are filled by persons with disability.

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

## **3. Irregular Branding of Projects**

The statement of financial performance and Note 13 to the financial statements reflects an amount of Kshs.159,205,615 under other Government units expenditure. However, physical inspection of projects implemented by the Fund carried out on 5 November, 2025 revealed that projects implemented at Jakaranda Special School, Kawangare Primary School and Lavington Girls Secondary School for the construction of dormitory, perimeter wall and dormitory for girls respectively were branded with the names of the area Member of Parliament which was contrary to Section 25(3) of the National Government Constituencies Development Fund Act, 2015 which requires that funds provided under this Act shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.

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

## **4. Non-Compliance with Set Criteria in Awarding of Bursaries**

The statement of financial performance and Note 14 to the financial statement reflects other grants and transfers amount of Kshs.65,576,534 which include bursary expenditure amounting to Kshs.45,556,855 which constitutes of bursaries to secondary schools, tertiary institutions and special schools amounts of Kshs.31,235,000, Kshs.14,121,855 and Kshs.200,000 respectively. However, examination of sampled bursary application forms revealed that all the forms had no evidence of vetting by Education bursary, Mock examinations and Continuous assessment tests Committee. Further, analysis of a sample taken from data provided revealed that the amounts awarded for bursary were not uniform

and ranged from Kshs.5000 to Kshs.15,000. However, no policy was provided detailing the different rates used and thus the basis of the rates could not be confirmed.

This was contrary to Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board.

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

#### **5. Failure to Adhere to Guidelines on Transition from Cash to Accrual Basis of Accounting**

Audit review of the Fund's preparedness to transition from cash to accrual established compliance gaps as follows;

- i. Formation of the entity steering committee - Each Accounting Officer of an implementing public entity is required to establish a cash to accrual transition committee at entity level to oversee and direct the transition process over the three years at the entity level. However, the steering committee was not established.
- ii. Appointment of Entity project manager-The accounting entity should appoint a project manager from among the staff to be a liaison person between the steering committee and the technical committee at the National level and to report to the Accounting Officer on progress of the transition at entity level. However, the Entity project manager was not appointed.
- iii. Accounting Officers are required to appoint Asset Management officer to support the transition to accrual accounting for assets. However, the asset management officer was not appointed.

This was in violation of Treasury Circular No.03/2025 dated 14 April, 2025 on Guidelines on Transition from Cash to Accrual Accounting by The National Government, County Government and their respective entities Section 2.0 on specific guidelines on transition.

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

#### **6. Failure to Deduct Tax on Sitting Allowances**

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects committee expenses amounting to Kshs.2,568,960. However, it was noted that 30% tax was not deducted and remitted on allowances amounting to Kshs.1,216,000 as below.

<b>Payee</b>	<b>Pv No.</b>	<b>Date</b>	<b>Total (Kshs)</b>
Equity Bank Ltd: Committee Allowances	75	10 March, 2025	104,000

Equity Bank: Committee Allowance	93	5 May, 2025	177,000
<b>Payee</b>	<b>Pv No.</b>	<b>Date</b>	<b>Total (Kshs)</b>
Equity Bank: M & E Allowance	14	15 July, 2024	208,000
Equity Bank Ltd: Committee Allowance	117	10 June, 2025	104,000
Equity Bank Ltd: Committee Allowance	81	21 March, 2025	156,000
Equity Bank Ltd: Committee Allowances	18	5 September, 2025	156,000
Equity Bank Ltd: Committee Allowances	113	9 June, 2025	156,000
Equity Bank Ltd: Tender Opening and Evaluation	11	31 July, 2024	155,000
		<b>Total</b>	<b>1,216,000</b>

This was contrary to Income Tax Act, 2014 Cap 470, Section 130(10)(1) which provides that before the tenth day following the end of every month or before any other day which may be notified to him by the Commissioner, an employer shall, subject to paragraph (2), pay, to such person as the Commissioner shall direct, all amounts of tax which the employer has deducted under these Rules during that month.

In the circumstances, Management is in breach of law.

## 7. Failure to Deduct Public Procurement Capacity Building Levy

The statement of financial performance and Note 12 to the financial statements reflects an amount of Kshs.4,889,837 for use of goods and services. Review of a sample of payment vouchers provided for audit revealed that the Fund made payments amounting to Kshs.1,336,186 to various suppliers under public procurement contracts. However, these payments were not subjected to the mandatory Public Procurement Capacity Building Levy of 0.03% of Kshs.1,136,186 amounting to Kshs.346. This was contrary to Public Procurement Regulatory Authority (PPRA) Circular No. Ref: PPRA/6/5/VOL.II (224) dated 30 August, 2024, which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and procuring entity, at the rate of zero-point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

In the circumstances, Management is in breach of law.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Failure to Authorize and Stamp Paid Payment Vouchers**

The statement of cash flows reflects total expenditure of Kshs.234,237,662 which was processed and paid without the requisite "PAID" stamp or official authorization on the payment vouchers. The lack of authorization stamps or markings makes it difficult to confirm that payments were duly reviewed, approved and settled. This was contrary to Regulation 23(2) of the Public Finance Management (National Government) Regulations, 2015, which provides that in addition to the responsibilities of Accounting Officers provided for in the Act, an Accounting Officer designated under the Constitution, the Act or any other Act, shall (c) before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, effectiveness of internal controls on records management could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also 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

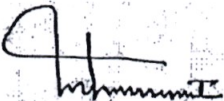
11 December, 2025


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

	Note	2024-2025 Kshs
Revenue from non-exchange transactions		
Transfers from the NG-CDF Board	6	179,483,419
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	38,000
<b>Total revenue</b>		<b>179,521,419</b>
<b>Expenses</b>		
Employee costs	10	5,610,670
Committee expenses	11	2,568,960
Use of Goods and Services	12	4,889,837
Other Government Units Actual expenditure	13	159,205,615
Other Grants and Transfers Actual expenditure	14	65,576,534
Depreciation and amortization expense	15	61,699
Digital Hubs Expenses Actual expenditure	16	-
<b>Total expenses</b>		<b>237,913,315</b>
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>(58,391,896)</b>

The Constituency financial statements were approved by the NG-CDFC on 08.12 2025 and signed by:

  
 Chairman NG-CDF  
 Committee  
 Name: Kenneth Adiara

  
 National Sub-County  
 Accountant  
 Name: Lucas Okech  
 ICPAK M/No: 17541

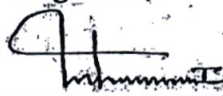
  
 Fund Account Manager  
 Name: Keziah Muriithi


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

<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	129,674,480	149,567,194
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	30,999,999	65,823,528
Prepayments	22	-	-
<b>Total Current Assets</b>		<b>160,674,479</b>	<b>215,390,722</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	143,964	205,664
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>143,964</b>	<b>205,664</b>
<b>Total Assets (A)</b>		<b>160,818,444</b>	<b>215,596,386</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third Party Deposits	27	2,502,617	521,433
Lease Liabilities	28	-	-
Gratuity Provision	29	1,632,770	609,770
<b>Total Current Liabilities</b>		<b>4,135,387</b>	<b>1,131,203</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>4,135,387</b>	<b>1,131,203</b>
<b>Net Assets (A-B)</b>		<b>156,683,057</b>	<b>214,465,183</b>
<b>Represented by:</b>			
Revaluation Reserves		156,073,287	214,465,183
Accumulated Surplus			
<b>Total Net Assets</b>		<b>156,073,287</b>	<b>214,465,183</b>

The Constituency financial statements set out on pages 1 to 11 approved by NG CDFC on 02.12.2025 and signed by:

  
 Chairman NG-CDF  
 Committee  
 Name: Kenneth Adiar

  
 National Sub-County  
 Accountant  
 Name: Lucas Okech  
 ICPAK M/No: 17541

  
 Fund Account Manager  
 Name: Keziah Muriithi

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 <sup>th</sup> June 2024	85,296,081	-	85,296,081
Adjustments			
Recognition of Assets	130,300,305		130,300,305
Recognition of Liabilities	1,131,203		1,131,203
As at July 1, 2024	214,465,183		214,465,183
Surplus/(Deficit) For the Period	(58,391,896)		(58,391,896)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	156,073,287	-	156,073,287

Note:

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

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

Notes		
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		214,306,948
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		38,000
<b>Total Receipts</b>		<b>214,344,948</b>
<b>Payments</b>		
Employee costs		3,977,900
Committee expenses		2,568,960
Use of Goods and Services		4,889,837
Other Government Units Certified Works		157,502,407
Other Grants and Transfers		65,298,558
Digital Hubs Expenses		
<b>Total Payments</b>		<b>234,237,662</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	<b>30</b>	<b>(19,892,714)</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>(19,892,714)</b>
<b>Cash Flows from Financing Activities</b>		
Lease Payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>(19,892,714)</b>
Cash and cash equivalents at 1 July	19	149,567,194
Cash and cash equivalents at 30 June	19	129,674,480

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable base	Budget utilization difference	% of Utilization
	Kshs.	Kshs.		Kshs.	Kshs.	Kshs.	% of 100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025	(a-d)	(c/e) x 100
<b>Revenue</b>							
Transfers From the NGCDF Board	179,483,419	149,529,194	65,823,529	394,836,142	363,874,142	30,962,000	92%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	38,000	-	38,000	38,000	-	100%
<b>Totals</b>	<b>179,483,419</b>	<b>149,567,194</b>	<b>65,823,529</b>	<b>394,874,142</b>	<b>363,912,142</b>	<b>30,962,000</b>	<b>92%</b>
<b>Expenses</b>							
Employee costs	5,287,230	4,880,966	-	10,168,196	3,977,900	6,190,296	39%
Committee expenses	2,695,600	2,298,044	-	4,993,644	2,568,960	2,424,684	51%
Use of Goods and Services	8,170,678	1,658,740	-	9,829,418	4,889,837	4,939,581	50%
Other Government Units Certified Works	77,657,500	116,708,912	53,323,529	247,689,941	157,502,407	90,187,534	64%
Other Grants and Transfers	54,672,411	20,730,768	2,500,000	77,903,179	65,298,558	12,604,621	84%
Others Strategic Plan	-	27,500	-	27,500	-	27,500	0%
Digital Hubs Expenses	-	-	-	-	-	-	
Acquisition of Assets	-	634,065	-	634,065	-	634,065	0%
Funds Pending Approval**	31,000,000	2,628,200	10,000,000	43,628,200	-	43,628,200	0%
<b>Total Expenditure</b>	<b>179,483,419</b>	<b>149,567,194</b>	<b>65,823,529</b>	<b>394,874,142</b>	<b>234,237,662</b>	<b>160,636,480</b>	<b>59%</b>
Surplus for the period							

**National Government Constituencies Development Fund (NGCDF)**  
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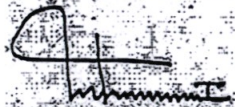
*\*\*Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.*

**Explanatory Notes.**

- (a) The Funds Pending Approval Represent the Projects that are Conditionally Approved by The Board Ksh. 31,000,000 for Construction of Dagoretti North NG-CDF Integrated Office.*
- (b) The AIE Raised from Sale of Tender Ksh.50,400 Not Yet Approved by The Board.*
- (c) The Underutilization Of 39% Under the Employees' Salaries Is A Result Of The carried forward Balances, Employees Gratuity retained Yet To Be Paid And The Budget Was Done For 9 Employees Yet Only 7 Employees Had Been Engaged.*
- (d) The Underutilization Of 51% For The Committee Expenses Is Because Most Of The Projects Had Not Been Implemented Hence The Funds Are Supposed To Be Used In monitoring of the Projects.*
- (e) The Underutilization Of Funds Is As A Result Of The Late Disbursement Of Funds From The National Treasury.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	160,636,480
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	30,962,000
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	129,674,480

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 03.12 2025 and signed by:



Chairman NG-CDF Committee  
 Name: Kenneth Adlara



National Sub-County Accountant  
 Name: Lucas Okech  
 ICPAK M/No: 17541



Fund Account Manager  
 Name: Keziah Muriithi

*National Government Constituencies Development Fund (NGCDF)*  
*Dagoretti North 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 differences
		Opening Balance (C/B) and A/A	Previous Year's Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
<i>(Itemize as per the code list)</i>						
1.1 Compensation of employees	5,287,230	4,880,966.16		10,168,196	3,977,900	6,190,296
1.2 Committee allowances	1,505,600	1,270,612.00		2,776,212	983,000	1,793,212
1.3 Use of goods and services	3,976,175	1,015,707.60		4,991,883	2,505,945	2,485,938
Sub-total	10,769,005	7,167,285.76	-	17,936,291	7,466,845	10,469,446
<b>2.0 Monitoring and evaluation</b>						
<i>(Itemize as per the code list)</i>						
2.1 Capacity building	2,788,648	142,713.00		2,931,361	1,383,892	1,547,469
2.2 Committee allowances	1,190,000	1,027,432.00		2,217,432	1,585,960	631,472
2.3 Use of goods and services	1,405,854	500,319.30		1,906,174	1,000,000	906,174
Sub-total	5,384,503	1,670,464.30	-	7,054,967	3,969,852	3,085,115
<b>3.0 Emergency</b>						
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
3.5 Un Utilized Funds	9,444,313	-		9,444,313		9,444,313

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

Sub-total	9,444,313	-	-	9,444,313	-	9,444,313
4.0 Bursary and Social Security						
4.1 Primary Schools	26,099,098	1,116,093		27,215,191	31,235,000	(4,019,809)
4.2 Secondary Schools	15,900,000	4,441,581		20,341,581	14,121,855	6,219,726
4.3 Tertiary Institutions				-		-
4.4 Special Schools					200,000	(200,000)
4.4 Universities				-	-	-
4.5 Social Security	2,100,000	1,200,000		3,300,000	3,300,000	-
Sub-total	44,099,098	6,757,674	-	50,856,772	48,856,855	1,999,917
5.0 Climate Change Mitigation						
Climate Mitigation Change		2,250,000	2,500,000	4,750,000	4,749,475	525
				-		
Sub-total		2,250,000	2,500,000	4,750,000	4,749,475	525
6.0 Primary Schools Projects (List all the Projects)						
6.1 Kilimani Primary School	16,750,000	3,733,126	5,078,430	25,561,556	8,319,042	17,242,514
6.2 Riruta HGM Primary school		4,500,000		4,500,000	4,385,312	114,688
6.3 Millimani Primary School	20,467,500	93,592		20,561,092	-	20,561,092
6.4 State House Primary School	630,000	1,500,000	5,078,430	7,208,430	6,547,065	661,365
6.5 Kawangware Primary School	17,240,000	28,846,300	10,156,860	56,243,160	33,691,333	22,551,827

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance	Previous Year's Outstanding Disbursement			
		(C/Pk) and A/A				
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
6.6 Dagoretti Muslim Primary School	4,630,000	443,383		5,073,383	-	5,073,383
6.7 Lavington Primary School	630,000	4,703,350		5,333,350	5,144,260	189,090
6.8 Muthangari Primary School	630,000			630,000	-	630,000
6.9 Gatina Primary School	800,000	12,850,057	15,235,290	28,885,347	26,015,654	2,869,693
6.10 Kileleshwa Primary School	630,000	6,500,000		7,130,000	6,982,613	147,387
6.11 Jacaranda Special School		15,760,684		15,760,684	15,342,355	418,329
6.12 Nairobi Primary School		352,709	7,617,645	7,970,354	6,456,544	1,513,810
6.13 St. Georges Primary School		5,708,000	10,156,874	15,864,874	15,230,916	633,958
Sub-total	62,407,500	84,991,201	53,323,529	200,722,230	128,115,094	72,607,136
7.0 Secondary Schools Projects (List all the Projects)						
7.1 State House Boys High School	9,500,000	5,249,309		14,749,309	9,745,417	5,003,892
7.2 Lavington Girls Secondary School	5,750,000	15,391,892		21,141,892	12,865,768	8,276,124
7.3 Precious Blood Secondary School		5,125,001		5,125,001	4,956,390	168,611
7.4 Kenya High School		1,064,736		1,064,736	1,055,575	9,161
7.5 St. Georges Girls Sec School		67,289	-	67,289	-	67,289
7.6 Dagoretti Mixed Sec School		4,819,484		4,819,484	764,163	4,055,321
Sub-total	15,250,000	31,717,711	-	46,967,711	29,387,313	17,580,398

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<b>8.0 Tertiary institutions Projects (List all the Projects)</b>								
8.1								
8.2								
8.3								
Sub-total								
<b>9.0 Security Projects</b>								
9.1 Gatina Chiefs Office	1,129,000	11,210,307	12,339,307	11,692,228	647,079			
9.2 Killeshwa Police Station		77,995	77,995		77,995			
9.3 Muthangari Police Station		416,102	416,102	-	416,102			
9.4 Killeshwa Chiefs Office		2,500	2,500		2,500			
9.5 Killimani Police Station		16,190	16,190		16,190			
Sub-total	1,129,000	11,723,094	12,852,094	11,692,228	1,159,866			
<b>10.0 Acquisition of assets</b>								
10.1 Motor Vehicles (including motorbikes)								
10.2 Construction of CDF office								
10.3 Purchase of furniture and equipment								
10.4 Purchase of Office Equipment		634,064.50	634,065		634,065			634,065

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/PK) and A/A	Previous Years Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
10.5 Purchase of land						
<b>Sub-total</b>		<b>634,064.50</b>		<b>634,065</b>		<b>634,065</b>
11.0 Digital Hubs						
<i>(Itemize as per the code list)</i>						
<b>Sub total</b>						
12.0 Others						
12.1 Strategic Plan	27,500.00	-	27,500		27,500	27,500.00
12.2						
<b>Sub total</b>	<b>27,500.00</b>	<b>-</b>	<b>27,500</b>		<b>27,500</b>	<b>27,500.00</b>
13.0 Funds pending approval**						
13.1 Construction of CDF office	31,000,000			31,000,000		31,000,000
13.2 Kawangware Primary School		2,539,800		2,539,800		2,539,800
13.3 Dagoretti Muslim Primary School			10,000,000	10,000,000		10,000,000
13.4 AiA	-	88,400		88,400		88,400
<b>Sub-total</b>	<b>31,000,000</b>	<b>2,628,200</b>	<b>10,000,000</b>	<b>43,628,200</b>	<b>-</b>	<b>43,628,200</b>
<b>Total</b>	<b>179,483,419</b>	<b>149,567,194</b>	<b>65,823,529</b>	<b>394,874,142</b>	<b>234,237,662</b>	<b>160,636,480</b>

*(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity's budgets which are program-based. This statement totals should tie to the totals of the Statement of Comparison of Budget and Actual Amounts)*

## 17. Notes to the Financial Statements

### 1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Dagoretti North Constituency principal activity is implementation of NG CDF funded projects and activities 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 Dagoretti North 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 Dagoretti North 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.

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Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

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

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

**3. Adoption of New and Revised Standards**

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

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

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

Standard	Effective date and Impact
IPSAS 43: Leases	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>Not applicable</i></p>
IPSAS 44: Non- Current Assets Held	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p>

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for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>Not applicable</i></p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>Not applicable</i></p>
IPSAS 46: Measurement	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <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> </ul>

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	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>Not applicable</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Not applicable</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not applicable</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not applicable</i></p>
IPSAS 50:	<p><i>Applicable 1<sup>st</sup> January 2027</i></p>

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Exploration For & Evaluation of Mineral Resources	The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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 30<sup>th</sup> June 2024 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.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**a) Financial assets**

**Classification of financial assets**

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

#### **Subsequent measurement**

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

#### **Amortized cost**

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

#### **Fair value through net assets/ equity**

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

#### **Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

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

**b) Financial liabilities**

**Classification**

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

**g) Inventories**

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

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

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

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

**h) Provisions**

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

**i) Social Benefits**

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

**j) Contingent liabilities**

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

**k) Contingent assets**

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

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

**l) Employee benefits**

**Retirement benefit plans**

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

**m) Foreign currency transactions**

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

#### **Estimates and assumptions.**

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

#### **Useful lives and residual value**

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

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

#### **Provisions**

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

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**6. Transfers from the NGCDF Board**

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,483,419
<b>Total</b>	<b>179,483,419</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>

*(Provide a brief explanation for this revenue)*

**9. Miscellaneous income**

Description	2024-2025
	Kshs
Rental Income	-
Income from sale of tenders	38,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere <i>(specify)</i>	-
<b>Total</b>	<b>38,000</b>

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10. Employee's cost

NG-CDFC Basic staff salaries	3,549,900
Personal allowances paid as part of salary	
House Allowance	
Transport Allowance	
Leave allowance	
Gratuity to contractual employees	1,632,770
Employer Contributions Compulsory national social security schemes	320,640
Employer Contributions Compulsory Housing levy	103,560
Employer contributions to National Industrial Training Authority	3,800
Other Specify	
<b>Total</b>	<b>5,610,670</b>

11. Committee Expenses

Sitting allowance	983,000
Other Committee expenses	1,585,960
<b>Total</b>	<b>2,568,960</b>

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12. Use of Goods and services

	2024-2025
	Kshs
Utilities, supplies and services	260,200
Communication, supplies and services	-
Domestic travel and subsistence	462,492
Printing, advertising and information supplies & services	426,145
Office Rent	800,000
Training expenses	533,400
Hospitality supplies and services	388,000
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	200,000
Fuel, oil & lubricants	100,000
Bank charges	-
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	100,000
Strategic plan expenses	-
Other operating expenses	1,619,600
<b>Total</b>	<b>4,889,837</b>

13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	129,305,978
Secondary Schools Actual expenditure	29,899,637
Tertiary Institutions Actual expenditure	-
<b>Total</b>	<b>159,205,615</b>

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

Bursary – secondary schools	31,235,000
Bursary – tertiary institutions	14,121,855
Bursary – special schools	200,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	3,300,000
Security projects Actual expenditure	11,970,204
Climate change mitigation projects	4,749,475
Emergency projects Actual expenditure	-
Roads projects Actual expenditure	-
Others specify	-
<b>Total</b>	<b>65,576,534</b>

**15. Depreciation and Amortization Expenses**

Property Plant and Equipment	61,699
Intangible Assets	-
<b>Total</b>	<b>61,699</b>

**16. Digital Hubs Expenses**

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

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**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>	<b>-</b>

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

**18. Impairment Loss**

Description	2024 - 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<i>(Include financial instruments that are impaired)</i>	-
<b>Total Impairment Loss</b>	<b>-</b>

*(Provide brief explanation on assets impairment loss)*

**19. Cash and Cash Equivalents**

Name Of Bank and Account No	2024 - 2025	Opening Statement 1 July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No. (Operations account)</i>	94,672,119	85,296,081
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	1,632,770	-
<i>Name of Bank, account No. (PMC accounts)</i>	33,369,591	64,271,113
<b>Total</b>	<b>129,674,480</b>	<b>149,567,194</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide Cash Count Certificates for Each]</i>		

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

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20. Receivables from Exchange Transactions

20. Receivables from Exchange Transactions		
Total receivables		
Other exchange debtors ( <i>Specify</i> )	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

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

i. Ageing Analysis for Receivables

i. Ageing Analysis for Receivables				
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	-	-	-	-

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

Description	2024 - 2025		Opening Statement 1 July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	30,999,999		65,823,528.24	
Outstanding imprest	-		-	
<b>Total</b>	<b>30,999,999</b>		<b>65,823,528</b>	
Ageing Analysis- Receivables from non-exchange transactions	Insert Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	30,999,999	100%	65,823,528	100%
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>30,999,999</b>		<b>65,823,528</b>	

**22. Prepayments**

Description	2024 - 2025		Opening Statement 1 July 2024	
	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

Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 <sup>st</sup> July 2024	-	-	-	-	293,805	-	-	293,805
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> June 2025	-	-	-	-	293,805	-	-	293,805
<b>Depreciation And Impairment</b>								
Opening Depreciation	-	-	-	-	88,142	-	-	88,142
Depreciation	-	-	-	-	61,699	-	-	61,699
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> June 2025	-	-	-	-	149,841	-	-	149,841
Net Book Values					88,142			88,142
Opening Bal as at 1 <sup>st</sup> July 2024	-	-	-	-	205,664	-	-	205,664
As At 30 <sup>th</sup> June 2025	-	-	-	-	143,964	-	-	143,964

**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).

**23 b) Property, Plant and Equipment at Cost**

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

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

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

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

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**24. Intangible Assets**

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

**25. Right-of use assets**

2025				
Cost				
As At 1 July 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As At 1 July 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-
As At 30 June 2024	-	-	-	-

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**26. Trade and Other Payables**

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
		Ksh		Ksh
Trade payables	-		-	
Employee payables	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	<b>-</b>		<b>-</b>	
<b>Aging analysis: (Trade and other payables)</b>				
	<b>2024-2025</b>	<b>% of the Total</b>	<b>1<sup>st</sup> July 2024</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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**27. Third-Party deposits**

Retention as at start of the period (A)	521,433	521,433
Retention held during the period (B)	5,066,334	-
Retention paid during the period (C)	3,085,150	-
Closing Retention, D= A+B-C	2,502,617	521,433

**Retentions aging analysis.**

Less than 1 year	2,502,617	100%	521,433	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	2,502,617		521,433	

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

**28. Lease Liabilities**

Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

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**Maturity Analysis**

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

**Analysed as:**

Description	Amount
Current	-
Non- Current	-
Total	-

**29. Gratuity Provision**

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	609,770	609,770
Gratuity held during the period (B)	1,023,000	-
Gratuity paid during the period (C)	-	-
<b>Total Gratuity provision D=(A+B-C)</b>	<b>1,632,770</b>	<b>609,770</b>

**30. Cash Generated from Operations**

Surplus for the period before tax	(57,804,446)
Adjusted for:	
Depreciation	61,699
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(34,823,529)
Changes in deferred income	-
Changes in Third party deposits	(1,045,320)
Changes in gratuity provision	(1,981,184)
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>(19,892,714)</b>

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

**31. Financial Risk Management**

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

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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	Fully performing	Partly impaired	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	30,999,999	30,999,999	-	-
Bank balances	129,674,480	129,674,480	-	-
<b>Total</b>	<b>160,674,479</b>	<b>160,674,479</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	65,823,528	65,823,528	-	-
Bank balances	149,567,194	149,567,194	-	-
<b>Total</b>	<b>215,390,722</b>	<b>215,390,722</b>	<b>-</b>	<b>-</b>

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

**Financial Risk Management**

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

**ii) Liquidity risk management**

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

<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,632,770	1,632,770
<b>Total</b>	-	-	<b>1,632,770</b>	<b>1,632,770</b>
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 3 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

**iii) Market risk**

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

**a) Foreign currency risk**

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

**b) Interest rate risk**

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits.

This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

#### Management of interest rate risk

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

#### 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 xxx (Current FY: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (Current FY – Kshs xxx)

#### 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).

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- 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 (Current FY)</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 (Previous FY)</b>	-	-	-	-
<b>Financial Assets</b>	-	-	-	-
Quoted Equity Investments	-	-	-	-
<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	Insert Current FY	Opening Statement 1 <sup>st</sup> July 20xx

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Revaluation Reserve	156,660,737	214,465,183
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	156,660,737	214,465,183
Total Borrowings	-	-
Less: Cash and Bank Balances	(129,674,480)	(149,567,194)
Net Debt/(Excess Cash And Cash Equivalents)	26,986,257	64,897,989
Gearing	17%	30%

32. Related Party Disclosures

	2024-2025	Opening Statement July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	983,000	694,000
Transaction with the NGCDF Board		
Transfers from the NG-CDF Board during the year	214,306,948	221,871,346
<b>Total</b>	<b>215,289,948</b>	<b>222,565,346</b>

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024-2025	Opening Statement 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>

*(Give details)*

**Contingent Liabilities**

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

**35. Capital Commitments**

<b>Authorised for</b>	-	-
<b>Authorised and contracted for</b>	-	-
<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 authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).*

**36. Events after the Reporting Period**

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

**37. Ultimate And Holding Entity**

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

**38. Currency**

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

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18. Annexes  
Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-			-
Buildings and structures	-			-
Transport equipment	2,050,000			2,050,000
Office equipment, furniture, and fittings	1,735,500			1,735,500
ICT Equipment and Other ICT Assets	754,805			754,805
Other Machinery and Equipment	-			-
Intangible assets	-			-
<b>Total</b>	<b>4,540,305</b>			<b>4,540,305</b>

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

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

Riruta Hgm Primary School	Equity	0630285487096	114,688.00	4,500,000.00
Kawangware Primary School	Equity	1470271424958	12,571,826.90	18,002,433.90
State House Primary School	Equity	1470285472960	661,365.00	1,500,000.00
Nairobi Primary School	Equity	1470271830574	1,513,809.50	352,708.50
St. Georges Primary School	Equity	1470285491384	633,958.00	4,700,000.00
Jacaranda Special School	Equity	1470286015493	418,329.00	-
Kileleshwa Primary School	Equity	1470285492029	147,387.00	6,500,000.00
Millimani Primary School	Equity	1470269814613	723,592.00	93,592.00
Lavington Primary School	Equity	1470271830222	199,089.50	4,713,349.50
Dagoretti Muslim Primary School	Equity	1470268579903	1,073,382.60	443,382.60
Gatina Primary School	Equity	1470268910644	1,469,693.20	11,187,557.20
Muthangari Primary School	Equity	1470284973314	653,139.00	23,139.00
Kilimani Primary School	Equity	1470268937783	492,513.50	3,103,125.50
Dagoretti Mixed Secondary School	Equity	1800284565828	4,055,321.00	1,318,915.00
St. Georges Girls Sec School	Equity	1470271425101	67,289.45	67,289.45
Lavington Girls Sec School	Equity	1470268941783	2,526,123.50	331,891.50
State House Boys High School	Equity	1470272153436	5,003,892.00	5,249,309.00
Precious Blood Girls Sec School	Equity	0630285536721	143,610.00	600,000.00
Kenya High School	Equity	1470285813318	9,161.00	1,064,736.00
Gatina Chiefs Office	Equity	1470283005768	378,108.66	6,897.00
Kileleshwa Police Station	Equity	1470272153382	77,995.30	77,995.30
Muthangari Police Station	Equity	1470276334943	416,101.50	416,101.50
Kileleshwa Chiefs Office	Equity	1470282641751	2,500.00	2,500.00
Kilimani Police Station	Equity	1470282343887	16,190.00	16,190.00
Dn Ng-Cdf Pmc Account	Equity	1470286418096	525.00	-
<b>Total</b>			<b>33,369,590.61</b>	<b>64,271,112.95</b>

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**Annex 3: Progress on Follow Up of Auditor Recommendations**

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

Reference No. of the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
1. Un utilized PMC Bank Balances	Review of PMC bank balance in Annex 5 of the financial statements reported an amount of Kshs.49,860,151 as at 30 June, 2024. Included in this amount are unutilized funds relating to completed projects amounting to Kshs.3,344,501. No explanation was provided as to why the unutilized funds of were not returned to the Constituency account. In the circumstance the accuracy of the cash and cash equivalent balance of Kshs.85,296,081 could not be confirmed.	The unutilized PMC Balance was Ksh. 49,860,000.00 as at the end of the financial year as presented in the Financial Statement. This is as a result of the transfers of Project Funds to the PMC Account that was done in June 2024 due to late disbursement of funds by the Treasury (- Annual MER Copy, AIE Copies and Bank Confirmation Certificate). The Kshs.3,344,501 includes Ksh. 3,000,000.00 that was transferred to	Not Resolved	Awaiting for confirmation date by the DFAC

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Reference				
		<p>Killimani primary school for Rehabilitation of roof of Multipurpose Hall (- Payment Voucher and Code list) for Verification.</p> <p>However, once the Projects are implemented and retentions paid the funds will be transferred back to the main account for reallocation to other projects accordingly</p>		
2. Un supported Cash and Cash Equivalents	<p>The statement of assets and liabilities and Note 11 to the financial statements reflects cash and cash equivalents balance of Kshs.85,296,081. The bank reconciliation statement showed a balance of Kshs.90,401,846 as bank balance but no bank confirmation certificate was issued to support the balance. In the circumstance the accuracy of the cash and cash equivalents</p>	<p>The unrepresented cheques were as a result of the Bursary Cheques drawn in May, June 2024 and other Months that were not yet presented. However, these cheques have since cleared in the subsequent months as shown by the</p>	Not Resolved	Awaiting for confirmation date by the DFAC

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved/Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	balance of Kshs.85,296,081 could not be confirmed.	reconciliation of October 2024 provided. (- Bank Recon Oct 2024 copies). The closing bank balance was Ksh. 90,401,846.09 as shown in the bank confirmation certificate provided. (- Bank Confirmation certificate).		
3. Irregularities in implementation of Projects	Irregularities in Implementation of Primary and Secondary Schools Projects			
	1. Gatina Primary School -The Fund disbursed a total of Kshs.5,625,000 for the entrance, parking area and rear court lockers and chairs to the Project Management Committee (PMC) for rehabilitation of school entrance, parking area and rear court /lockers and chairs. Review of procurement documents provided for audit revealed that the works were procured through Tender	Management Response Gatina Primary School Administration requested for the project through the public participation exercise carried out in December 2022 for the two financial Years-2022/2023-2023/2024. The transfer to the PMC	Not Resolved	Awaiting for confirmation date by the DFAC

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	<p>DN/NG/CDF-CDF/008/2022-2023. The contract was awarded to a company at a contract sum of Kshs.4,672,160 for the rehabilitation of school entrance, parking area and rear court and the company was contracted for supply of desks at a contract sum of Kshs.616,000 totaling Kshs.5,288,160. However, the amount deposited in the PMC Account and contract sum as noted above had a variance of Kshs.336,840 which was not explained. There were also no inspection and acceptance reports provided for audit verification.</p>	<p>was done as per the approval by the Board (Annex 3- Vouchers and Project Code list) and the Balance to be returned to PMC for reallocation after Project Completion and Payment of Project retention. The works and supply were done and the projects completed and handed over. (- Inspection and acceptance copy) here provided for audit review. The Desks were distributed to different classes in the institution and by the time the Audit was conducted, the school was closed hence it was not possible to view the desks from the classes. However,</p>		

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Reference No. of the external audit Report	Issue / Observation from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
		the photos and delivery notes for the desks are hereby provided for audit review (- Delivery Notes and Lockers and Chairs Photos)		
	<p>2.St. Georges Primary School  The Fund disbursed a total Kshs.4,700,000 for construction of 10 door ablution block. Review of procurement documents provided for audit revealed that the works were procured through Tender DN/NG/CDF-CDF/004/2022/2023. However, inspection and acceptance reports, certificate of completion and contract were not issued for audit review. A site visit on 22 November, 2024 revealed the toilets were not in use and the ramp for PWD was too steep.</p>	<p>St. Georges Primary School was allocated funds for Proposed Construction of Toilet Block. The Project was advertised, done, completed, Branded, handed over and in use. (- Inspection and Acceptance Reports, Completion Report and Contract Agreement) attached for Audit Review. The toilets are in use; however, the schools are closed hence the dust and inactivity during the audit visit. The ramp for the PWD will be fixed by</p>	Not Resolved	Awaiting for confirmation date by the DFAC



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	<p>However, the contract agreement did not specify the start and completion date and the completion certificate and hand over reports were not provided for audit.</p> <p>A site visit carried out on 22 November, 2024 revealed that the planned purchase of the library tables and seats and office table and chair had not occurred, despite the funds being disbursed on 9 August, 2023. Further, the Library did not have access for PWD as it was on top floor and did not have a ramp.</p>			



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 Name: Keziah Muriithi  
 Fund Account Manager.