

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – POKOT SOUTH
CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

POKOT SOUTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Pokot South Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Festus Kipomet
2.	National Sub-County Accountant	Alex Muhando
3.	Chairman NGCDFC	Julius Siwareng
4.	Member NGCDFC	Jacob Ywarangole
5.	Member NG CDFC	Everlyline Pelo

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Pokot South Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF Pokot South Constituency Headquarters

Chepareria Divisional HQs Building
Kapenguria - Lodwar Road
KAPENGURIA, KENYA

(e) NGCDF Pokot South Constituency Contacts

P.O. Box 681-30600, KAPENGURIA
Telephone: (254) 768 173 566
E-mail: cdfpokotsouth@ngcdf.go.ke
Website: www.pokotsouth.ngcdf.go.ke

(f) NGCDF Pokot South Constituency Bankers

1. Bank A.
Equity Bank Kapenguria
A/c no: 1070261730873
(Operations Account)
P.O BOX 75104
KAPENGURIA
2. Bank B.
Equity Bank Kapenguria
A/c no: 1070285732738
(Deposit Account)
P.O BOX 75104
KAPENGURIA
3. Bank C.
(PMC Accounts) *Equity Bank*
Kapenguria Branch
P.O BOX 75104
KAPENGURIA.




(g) Independent Auditor

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





(h) Principal Legal Adviser

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




3. NGCDF Committee

Name	Details
 Chairman Julius Siwareng	Date of birth: 1/11/1972 Diploma in Early Childhood Development Education (ECDE) Work experience - Farmer
 Secretary Everlyline Pelo	Date of birth: 8/10/1989 Certificate in Early Childhood Development Education (ECDE) Work experience -Farmer
 PWD representative Samson Lowuata Atodonyang	Date of Birth: 01/01/1974 Primary School – Standard 7 Work experience: Farmer

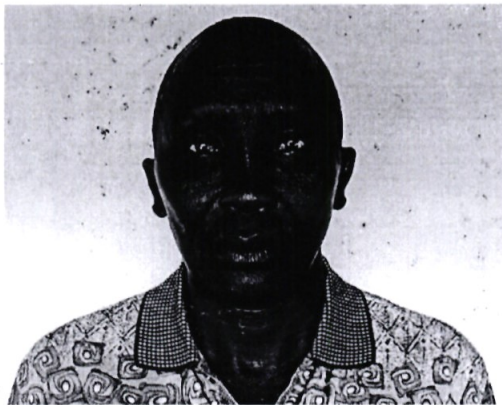
National Government Constituencies Development Fund (NGCDF)
Pokot South Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

 <p>Female adult representative Selina Sipoti</p>	<p>Date of Birth: 01/01/1970 Diploma in Sales and Marketing Business</p>
 <p>Female adult representative Catherine Cherop Tulel</p>	<p>Date of Birth: 05/05/1975 Certificate of secondary education, certificate in tailoring Farmer</p>
 <p>Male adult representative Jacob</p>	<p>Date of Birth: 01/01/1965 Primary School – Standard 7 Businessman</p>
 <p>Coopted member Samwel Kugar Ngolepus</p>	<p>Date of Birth: 26/11/1974 Diploma in Special Needs of Education Farming</p>

*National Government Constituencies Development Fund (NGCDF)
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 <p>Male youth representative Evans Ruto Yokito</p>	<p>Date of Birth: 11/12/1995 Bachelor's Degree in Education Farmer</p>
 <p>DCC Kipkomo Sheila Imbanga</p>	<p>Date of Birth: 04/04/1978 Bachelor of Arts degree</p>
 <p>Fund Account Manager Kipomet Rotokwo Festus</p>	<p>Date of birth 10/5/1987 Bachelor of Arts (Economics and Mathematics)</p>

4. NG-CDFC Chairman's Report



Julius Siwareng
Chairman, Pokot South NG-CDFC

The total allocation for Pokot South NG-CDF in the Financial Year 2024/2025 was Kshs 170,469,856. The balance brought forward from the Financial Year 2023/2024 was Kshs 25,448,400. As at 30th June 2024, the total amount owing to the Pokot South Constituency from the NG-CDF Board was Kshs 56,422,203.

Pokot South Constituency received a total of Kshs 188,422,203 during the year from the Board. This translates to a total of Kshs 213,870,603 as the available funds during the year.

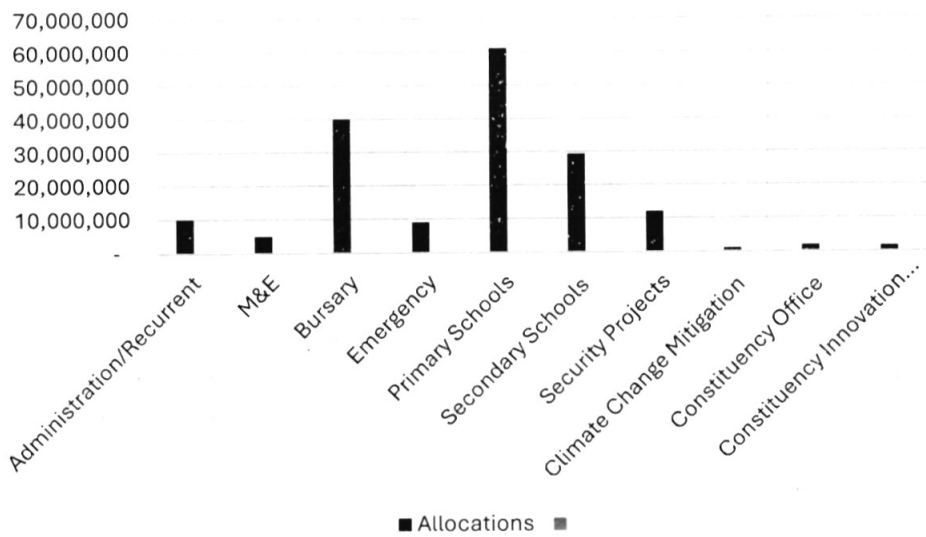
During the year under review, Pokot South NG-CDF was able to spend Kshs 169,302,408.

This represents 79% of the received funds during the year. Thus, interpreted as 79% of the projects have been funded at the end of the year.

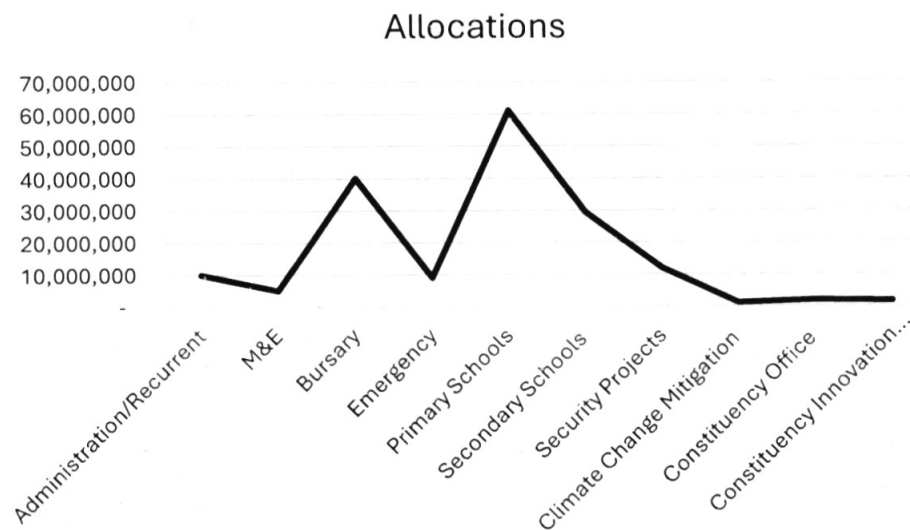
Pokot south NG-CDF has noted the following:

- There is need for timely disbursements from the board to avoid delays in project implementation.
- Project funding and implementation is determined by the disbursement from the NG-CDF Board
- There is need for more allocation of funds to the constituency to achieve the intended purpose of the NG-CDF funds of poverty reduction at the constituency level
- Education sector is still in dire need for massive infrastructure in the constituency especially Primary schools and Junior secondary schools

**National Government Constituencies Development Fund (NGCDF)
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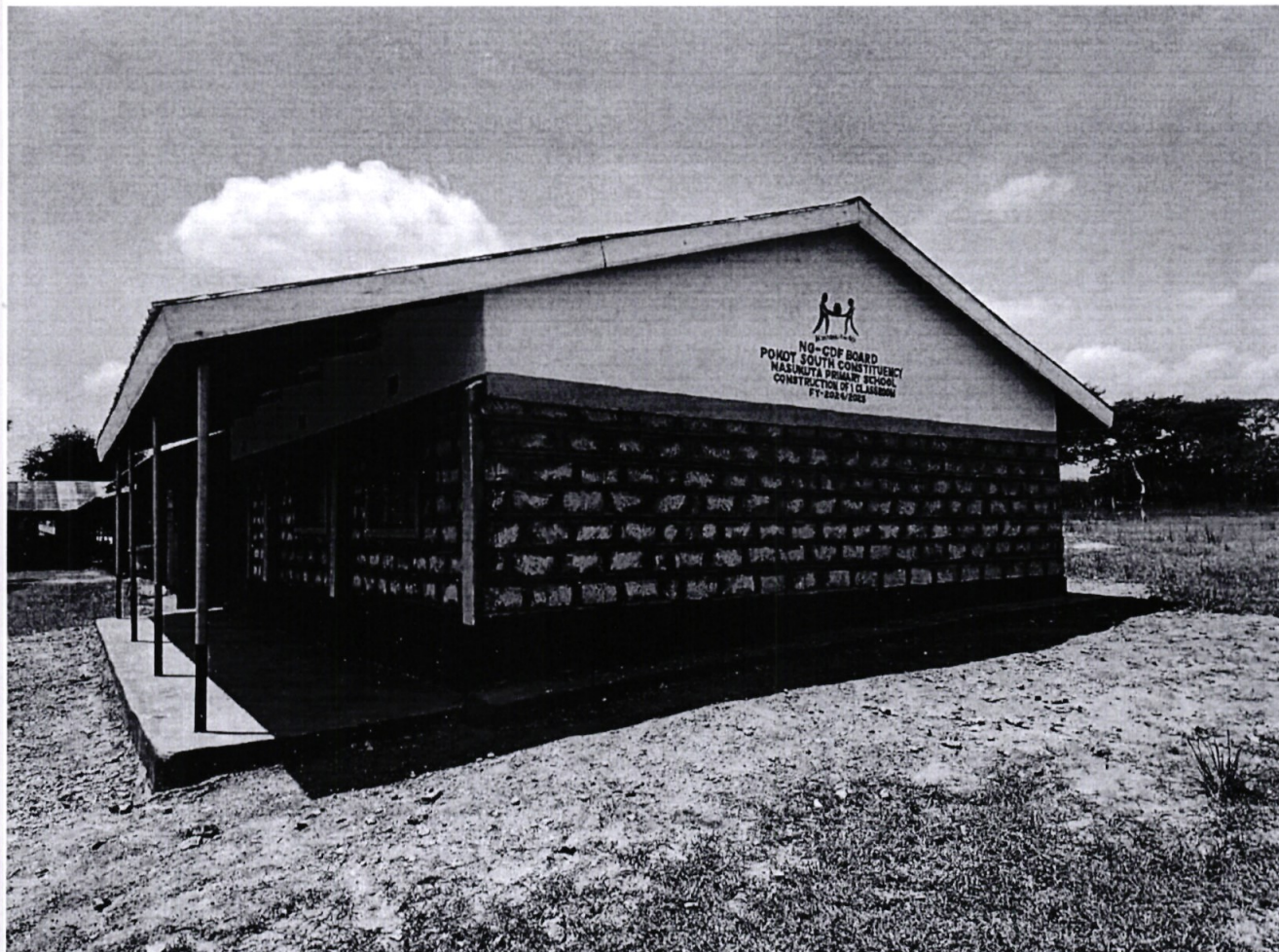
Sectoral allocations against actual expenditures per sector



Allocations to various programs

Key achievements in the financial year 2024/2025:

Pokot South Constituency planned to implement 53 projects in the year 2024/2025 as at 30th June 2025, however as at the above stated date the NG-CDFCs only implemented 16 projects. This was occasioned by the delayed funding from the NG-CDF Board to the constituency, and the piecemeal disbursements received were channeled to bursaries for needy students



Nasukuta Primary School. Construction of one classroom



NG-CDF POKOT SOUTH CONSTITUENCY SAMOR BUS AND BURSARY COMMISSIONING AND NG-CDF PROJECTS LAUNCHING



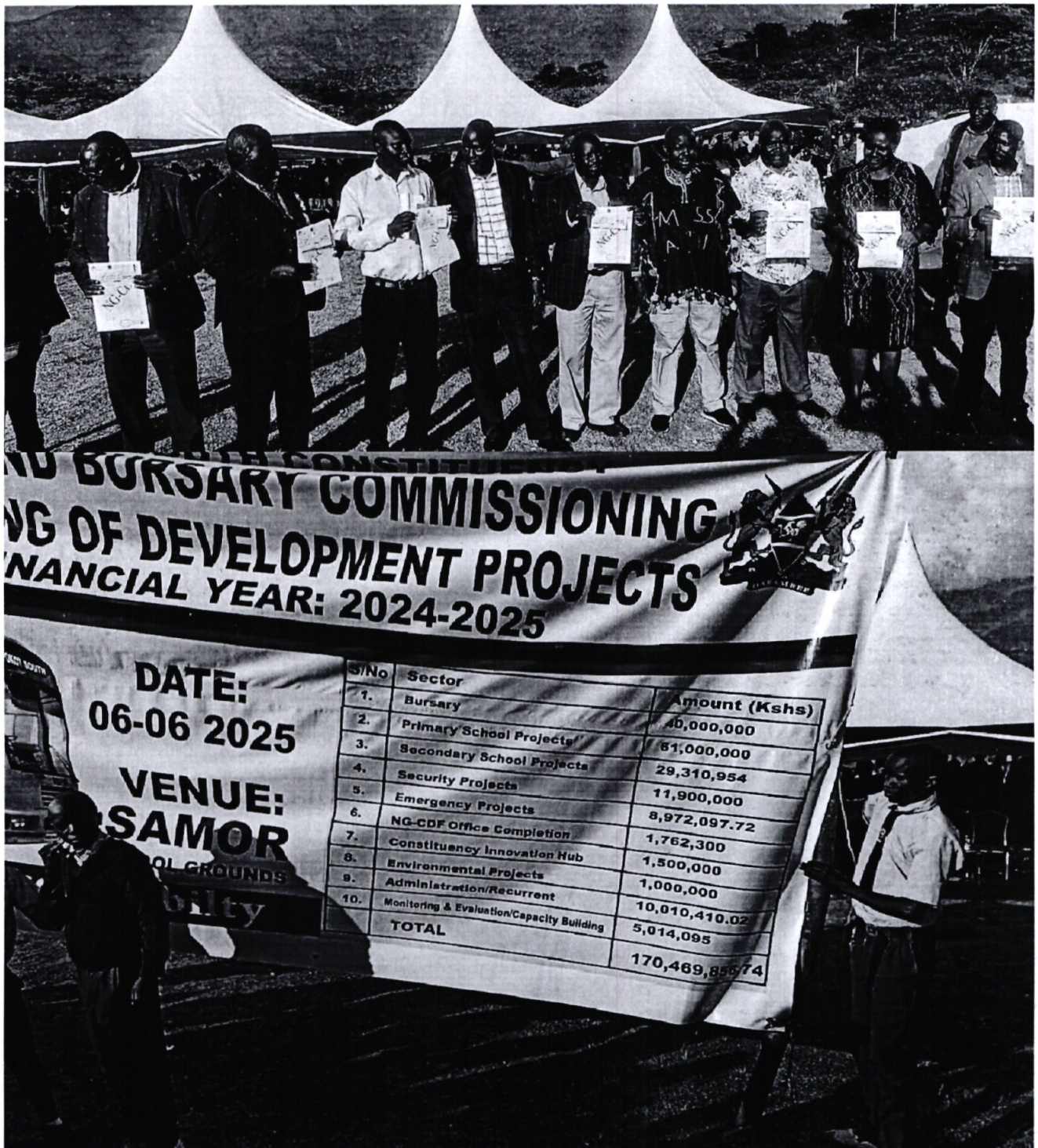
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VENUE:
 SAMOR
 SCHOOL GROUNDS

S/No	Sector	Amount (Kshs)
1.	Bursary	40,000,000
2.	Primary School Projects	61,000,000
3.	Secondary School Projects	29,310,954
4.	Security Projects	11,900,000
5.	Emergency Projects	8,972,097.72
6.	NG-CDF Office Completion	1,762,300
7.	Constituency Innovation Hub	1,500,000
8.	Environmental Projects	1,000,000
9.	Administration/Recurrent	10,010,410.02
10.	Monitoring & Evaluation/Capacity Building	5,014,095
TOTAL		170,469,856.74

Transparency & Accountability

*National Government Constituencies Development Fund (NGCDF)
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Samor School Bus and Bursary Commissioning/Issuance of Bursary Cheques and Launching of 2024/2025 NG-CDF Projects



SDA Priokwo Secondary School. Construction of two classrooms





Kapushen Police Post. Construction of single Police House



St. Alexander Chongis Mixed Secondary School. Ongoing Construction of three classroom
Pokot South NG-CDF has implementation challenges which include;

- Delays in project implementation by the project management committee

- Inadequate allocation of funds to the constituency
- Delayed funding to the constituency from the NG-CDF Board
- Delayed delivery of building materials due to poor infrastructure in the upper part of the constituency especially during rainy season
- Minimal knowledge on documentation of project files by the PMCs

Pokot South NG-CDF recommendations:

- Timely funding to avoid delays.
- Adequate allocation of funds to the Constituency
- Improved road network within the constituency for easy movement of materials
- Adequate training of PMCs regarding NG-CDF projects files and funds management


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Name: Julius Siwareng
Chairman NGCDF Committee



5. Statement Of Performance Against Predetermined Objectives for FY2024/25

Introduction

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

The key development objectives of the *NGCDF Pokot South Constituency 2024-2025* plan are to:

1. Access to quality education and training
2. Improving on security infrastructure within the constituency
3. Working on climate change mitigation by planting more trees
4. Youth Empowerment and Development through construction of innovation Hubs
5. Emergency support response
6. Strengthen institutional capacity

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 and reduce dropout rates and increase primary, secondary and higher education transition rates	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary’s beneficiaries at all levels	Constructed 53 new classrooms, renovation of 12 Primary Schools, and 1 bus of 33-seater for Samor Primary school. 10 new classrooms, 1 laboratory, 1 dining hall, 2 administration blocks and 1 dormitory to secondary schools.

National Government Constituencies Development Fund (NGCDF)

Pokot South Constituency

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

				6,175 students benefited from bursaries
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Increased Chiefs camps, ACCs offices, police stations	Number of usable physical infrastructure built in locations, sub locations and police stations	Funded 8 security projects (Kaptabuk Location Chief's Office, chepkobegh chiefs Office, Kapushen police post, Kipkomo Sub - County DCC fencing, Ywalateke Location Chief's Office, Kaalotwari Location Chiefs Office, Kapyongen Chiefs Office, and Parayon Chiefs Office)
Climate change mitigation activities	Improve conservation of environment through natural resources conservation initiatives	Working on climate change mitigation	Number of tree seedlings planted in various public entities	Funded planting of 4,000 indigenous tree seedling in 20 public schools
Emergency	Timely response to an emergency/unforeseen occurrence	Uninterrupted learning in learning institutions and smooth service delivery	Number of projects urgently responded to without causing interruptions to the end user	Implemented 4 emergency projects (Chemonges Primary School, Rekeret Primary School, Ortum Boys Secondary School and Batei zone education office)

6. Governance Statement

a. NG-CDFC process of appointment

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

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

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

The current NGCDFC members were gazetted on 21st May 2025 through the Kenya Gazette Notice no. 6464 and the first meeting was held on Wednesday 11th June 2025

The persons appointed are drawn from different groupings as follows:

- Male Adult - Julius Siwareng - Chairman
- Male youth - Evans Ruto Yokito - Member

- Female Adult - Selina Sipoti - Member
- Female youth - Everlyline Chemariny Pelo – Secretary
- PWD REP. - Samson Atodonyang - Member
- Co-opted Member - Samwel Kupar Ngolepus - Member
- Nominee of constituency Office - Catherine Cherop Tulel – Member
- Nominee of constituency Office - Jacob Ywarangole – Member

b. NG-CDFC Tenure

Section 43(8) outlines that 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.

c. The Role of the Constituency Committee

The functions of the constituency Committee is outlined under NG CDF regulations (2016) section 11 as:

- a) Build the capacity of project management committees and Committee. sensitize the Community on the operations of the Fund
- b) Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency
- c) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act
- d) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- e) In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) falls within the functions of the National Government under the Constitution
- f) Consult with relevant government departments to ensure that cost estimates for projects are realistic

- g) In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects
- h) Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding
- i) Rank projects proposals in order of priority while ensuring that on-going projects take precedence
- j) Ensure that all projects receive adequate funding and are completed within three years
- k) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies
- l) Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board
- m) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board
- n) Ensure that project reports are prepared and submitted to the Board
- o) Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects
- p) Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund
- q) Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act

d. Removal of a member

Section 48(13) outlines the grounds under which a member of the Committee can be removed which include:

- a. Lack of integrity
- b. Gross misconduct

- c. Embezzlement of public funds
- d. Bringing the committee into disrepute through unbecoming personal
- e. Public conduct
- f. Promoting unethical practises
- g. Causing disharmony within the committee
- h. Physical or mental infirmity

e. NG-CDFC Induction and training

NG-CDFC induction and training is done annually. The training for this financial year was done at regional level.

f. Number of meetings:

NG-CDF Act Section 43(11) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Pokot South Constituency, the NG-CDF Committee conducted 17 meetings and 6 sub-committee meetings.

	Name of committee member	Meetings held																
		5/7/24	25/7/24	26/8/24	5/9/24	7/10/24	24/10/24	28/11/24	5/12/24	19/12/24	8/1/25	4/2/25	24/2/25	25/3/25	17/4/25	6/5/25	5/6/25	24/6/25
1.	Julius Siwareng	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
2.	Evans Yokito	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
3.	Selina Sipoti	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
4.	Everlyline Pelo	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
5.	Samson Atodonyang	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
6.	Jacob Ywarangole	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
7.	Catherine Tulel	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
8.	Samwel Ngolepus	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
9.	Sheila Imbanga	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

The Chairperson is remunerated at kshs 7,000 and the members at kshs 5,000 per meeting or when on any official duty

h. Disclosure the policy on conflict of interest

The committee has never had any instance where a member was required to declare any conflict in any of the meetings held during the year.

i. Succession plan

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

j. Ethics and code of conduct

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

k. Risk Management

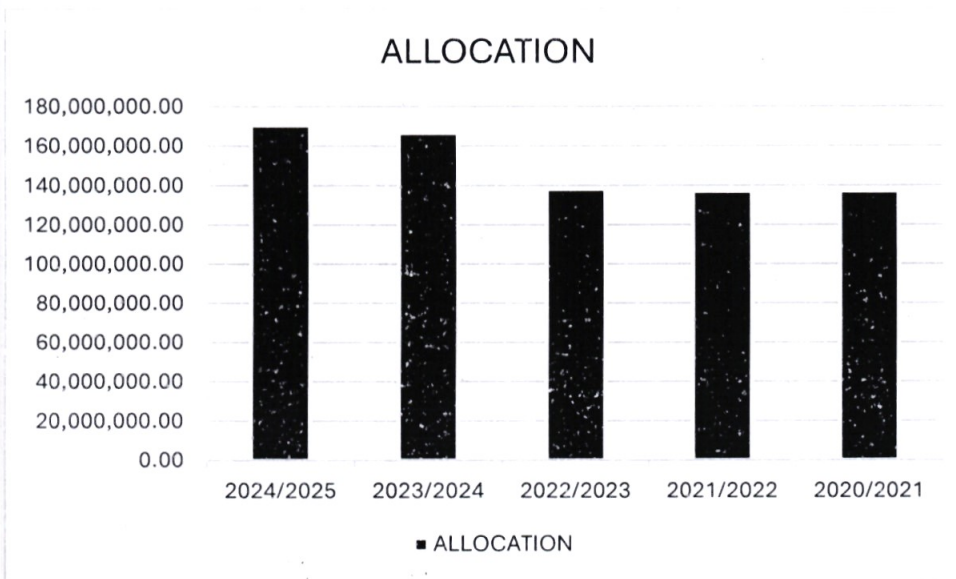
The constituency has a risk policy which they observe and are required to maintain a risk register. The committee has the following responsibilities

- To define the risk appetite of the Committee
- To exercise oversight of the Committee's responsibilities and review the risk profile of the committee to ensure that risk is not higher than the risk appetite determined by the Committee
- To assist the committee in setting the risk strategies, policies, frameworks, models and procedures in liaison with management and in discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.
- To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed.

7. Management Discussion and Analysis

The Fund has evolved for the past five years to become a very crucial Fund for the development of National Government development projects. It is with this view that the National Government has been increasing the allocation every year for the last five years.

S.N	FINANCIAL YEAR	ALLOCATION
1	2024/2025	170,469,856.74
2	2023/2024	166,593,720.00
3	2022/2023	138,215,033.00
4	2021/2022	137,088,879.00
5	2020/2021	137,088,879.00



The increased allocation has contributed to the transformation of various sectors across the constituency leading to better services.

The fund is also geared towards the establishment of Digital hubs in constituency during the financial year, the NGCDF Pokot South allocated funds for the construction of ICT hub in Kabichbich. This is in line with the presidential directive that the fund should establish Digital Hubs in every Ward to allow youths to access digital job opportunities that will improve their livelihoods.

.....
Name: Kipomet Festus
Fund Account Manager



8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

This financial year NG-CDF Pokot South allocated funds towards the purchase and planting of 4,000 trees seedlings for environmental conservation and sustainability.

3. Employee welfare

We invest in providing the best working environment for our employees. Pokot South constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Pokot South constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

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

4. Marketplace practices-

Pokot South Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Pokot South Constituency has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects.

Public Participation in Project Identification, Implementation, and Monitoring

Pokot South Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The

identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

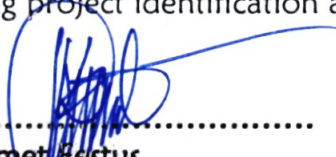
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

Public Awareness

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

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

.....

Kipomet Festus
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- Pokot South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.


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

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

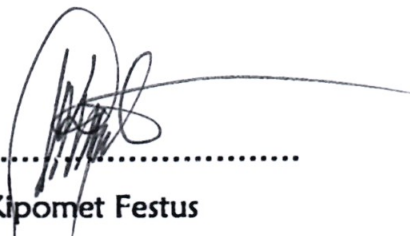
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Pokot South Constituency financial statements were approved and signed by the Accounting Officer on 2/12/2025



.....
Name: Julius Siwareng
Chairman – NGCDF Committee



.....
Name: Kipomet Festus
Fund Account Manager



REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Pokot South Constituency set out on

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

pages 1 to 59, 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 - Pokot South Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023), Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Non-Compliance with International Public Sector Accounting Standards

Note 2 to the financial statements and the cover page contains information that implies that the financial statements have been prepared in full compliance with International Public Sector Accounting Standards. The same contain information that the financial statements are transitional and therefore not fully compliant with the International Public Sector Accounting Standards. However, the primary financial statements reflect that the phased approach of transiting from cash basis of accounting to accrual basis has been adopted.

This contradictory information, creates significant confusion regarding the true basis of accounting and undermines the reliability and transparency of the financial statements.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts of Kshs.266,007,721 and Kshs.188,422,203 respectively resulting in

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

an underfunding of Kshs.77,585,518 or 29% of the budget. Similarly, the Fund spent Kshs.155,152,649 against an approved budget of Kshs.266,012,445 resulting in an under absorption of funds of Kshs.110,859,796 or 42% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the transitional IPSAS 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

Projects Implementation Status

Review of the project implementation status report revealed that a total of seventy-two (72) projects were implemented with a combined estimated cost of Ksh.121,873,254. Among these, thirty-three (33) projects, with a total estimated cost of Ksh.67,570,393, were complete and in use for which Ksh.53,570,393 had been disbursed, one (1) project valued at Ksh.1,762,300 was complete and awaiting commissioning with the full amount already disbursed. Further, thirty-eight (38) projects were ongoing with an estimated cost of Ksh.52,540,561 and disbursement of Ksh.42,240,561.

In the circumstances, the under-disbursement of approximately 20% of total project funds raises concerns regarding the efficiency of fund utilization and the potential delay or compromise in the effectiveness of service delivery to the public.

Other Information

Management is responsible for the Other Information set out on page iii to xxxi which comprise acronyms and definition of key terms, key constituency information and management, the NGCDF Committee, management discussion and analysis, and the statement of management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's transitional IPSAS financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the transitional IPSAS financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of

this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Remittance of Public Procurement Capacity Building Levy

Review of documents revealed that Management did not deduct and remit the public procurement capacity building levy. This was contrary to Paragraph 3(1) of Legal Notice 206 of the Levy Order 2023 which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of 0.03% of the value of the signed contract, exclusive of applicable taxes.

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

2. Outstanding Tax Arrears

Following a tax assessment for the period 2014 to 2018 and self-assessment for the subsequent period to 31 May, 2025, the National Government Constituencies Development Fund - Pokot South Constituency had accumulated tax arrears amounting to Kshs.23,980 payable to the Kenya Revenue Authority which had not been settled by the end of the year. Further, the tax liability was not disclosed in the financial statements.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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 transitional IPSAS financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 December, 2025

**National Government Constituencies Development Fund (NGCDF)
Pokot South Constituency**

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

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

Description	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,857
Expenses		
Employee costs	10	5,631,530
Committee expenses	11	8,355,700
Use of Goods and Services	12	3,264,440
Other Government Units Actual expenditure	13	82,562,088
Other Grants and Transfers Actual expenditure	14	51,073,000
Depreciation and amortization expense	15	38,732
Digital Hubs Actual expenditure	16	-
Total expenses		150,925,491
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	
Impairment loss	18	
Surplus/(Deficit) for the year		19,544,366

The Constituency financial statements set out on pages 1 to 5 were approved by NG CDFC on _

2/12/2025 and signed by:

Chairman NG-CDF
Committee
Name: Julius Siwareng

National Sub-County
Accountant
Name: Alex Muhando

Fund Account Manager
Name: Kipomet Festus



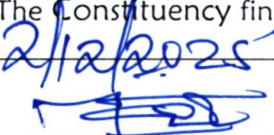
**National Government Constituencies Development Fund (NGCDF)
Pokot South Constituency**

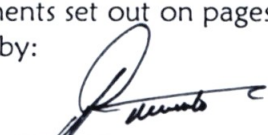
Annual Report and Financial Statements for The Year Ended June 30, 2025


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

Description	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	72,389,938	39,120,384
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	38,469,857	56,422,203
Prepayments	22		-
Total Current Assets		110,859,795	95,542,587
Non-Current Assets			
Property, Plant and Equipment	23	22,527,876	15,929,608
Intangible Assets	24	-	-
Total Non- Current Assets		22,527,876	15,929,608
Total Assets (A)		133,387,670	111,472,195
Liabilities			
Current Liabilities			
Gratuity provision	25	3,338,731	967,622
Total Current Liabilities		3,338,731	967,622
Non-Current Liabilities			
Lease Liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		130,048,939	110,504,573
Represented by:			
Revaluation Reserves			
Accumulated Surplus		130,048,939	110,504,573
Total Net Assets		130,048,939	110,504,573

The Constituency financial statements set out on pages 1 to 5 were approved by NG CDFC on 2/12/2025 and signed by:


Chairman NG-CDF
Committee
Name: Julius Siwareng


National Sub-County
Accountant
Name: Alex Muhando


Fund Account Manager
Name: Kipomet Festus



**National Government Constituencies Development Fund (NGCDF)
Pokot South Constituency**

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

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)		24,480,778	24,480,778
Adjustments: (to recognize assets and liabilities)			-
Add Assets		86,023,795	86,023,795
Less Liabilities (Third Party Deposits)		-	-
As at July 1, 2024		110,504,573	110,504,573
			-
Surplus/(Deficit) For the Period		19,544,366	19,544,366
Revaluation Gain/Loss			-
As at 30th June (2025)		130,048,939	130,048,939

Note:

Recognition of Assets includes opening balances for PMC Accounts of Kshs.13,671,984 property, plant and equipment of Kshs.15,929,608 and opening balance of disbursements owing from the Board of Kshs.56,422,203.

*National Government Constituencies Development Fund (NGCDF)
Pokot South Constituency*

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

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

Description	Notes	Period ended June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		188,422,203
Finance income		
Miscellaneous income		-
Total Receipts		188,422,203
Payments		
Employee costs		3,260,421
Committee expenses		8,355,700
Use of Goods and Services		3,264,440
Other Government Units Actual expenditure		82,562,088
Other Grants and Transfers Actual expenditure		51,073,000
Total Payments		148,515,649
Net Cash Flows from/ (used in) Operating Activities	26	39,906,554
Cash flows From Investing Activities		
Purchase of PPE		6,637,000
Purchase of Intangible assets		
Proceeds From Sale of PPE		
Net Cash Flows from Investing Activities		6,637,000
Net increase/(decrease) in cash & Cash equivalents		33,269,554
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		33,269,554
Cash and cash equivalents at Period Start	19	39,120,384
Cash and cash equivalents at Period End	19	72,389,938

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

Description	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
				Kshs	Kshs	Kshs	
				C=(a+b)	d	e=(c-d)	f=d/c*100
	Reconfirmed Amount	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	39,120,384	56,422,203	266,007,721	188,422,203	77,585,518	71%
Grants/donations from other entities				-		-	0%
Totals	170,469,857	39,115,661	56,422,203	266,007,721	188,422,203	77,585,518	71%
Expenses							
Employee costs	4,182,964	1,391,432	-	5,574,396	3,260,421	2,313,975	58%
Committee expenses	8,438,000	2,400	-	8,440,400	8,355,700	84,700	99%
Use of Goods and Services	2,403,541	85,741	-	2,489,282	3,264,440	775,158	131%
Other Government Units Certified Works	90,310,954	24,940,984	44,744,266	159,996,204	82,562,088	77,434,116	52%
Other Grants and Transfers	63,372,098	6,622,281	8,000,000	77,994,379	51,073,000	26,921,379	65%
Other Payment	-	-		-	-	-	-

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

Funds Pending Approval**		-	-	-	-	-	-
Acquisition of Assets	1,762,300	6,077,547	3,677,937	11,517,784	6,637,000	4,880,784	58%
Total Expenditure	170,469,857	39,120,384	56,422,203	266,012,445	155,152,649	110,859,796	58%
Surplus for the period					33,269,554	-33,274,277	

Explanatory Notes.

- In the year under review Pokot South Constituency did not manage to generate any AIA.
- All underutilization below 90% is because the Board did disburse all the funds to the constituency as at close of the financial year.
- The changes between the original and final budget are as a result of the Balance brought forward of kshs.25,448,400 from the previous year and Previous Years' Outstanding disbursements of kshs.56,422,203 and PMC balances of kshs.13,671,984

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	110,859,796
Less undisbursed funds receivable from the Board as at period 30 June, 2025	(38,469,857)
Cash and Cash Equivalents at the end of the 30 th June 2025	72,389,939

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 2/12/2025 and signed by:

Fund Account Manager

Name: Kipomet Festus

National Sub-County Accountant

Name: Alex Muhando

Chairman NG-CDF Committee

Name: Julius Siwareng



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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,182,964	1,391,432		5,574,396	3,036,500	2,537,896
1.2 Committee allowances	4,738,000	2,400		4,740,400	4,718,900	21,500
1.3 Use of goods and services	1,089,446	12,089		1,101,535	985,620	115,915
Sub-total	10,010,410	1,405,921	-	11,416,331	8,741,020	2,675,311
2.0 Monitoring and evaluation				-		-
2.1 Capacity building	450,000	17,600		467,600	467,600	-
2.2 Committee allowances	3,700,000	-		3,700,000	3,636,800	63,200
2.3 Use of goods and services	864,095	56,052		920,147	911,220	8,927
Sub-total	5,014,095	73,652	-	5,087,747	5,015,620	72,127
4.0 Emergency				-		-
unutilized	4,672,098	1,871,281		6,543,379		6,543,379
Chemonges Primary School	1,500,000			1,500,000	1,500,000	-
Rekeret Primary School	950,000			950,000	950,000	-

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Batei Zone Education Office	850,000			850,000	850,000	-
Ortum Boys Secondary School	1,000,000			1,000,000	1,000,000	-
Sub-total	8,972,098	1,871,281	-	10,843,379	4,300,000	6,543,379
5.0 Bursary and Social Security				-		-
5.1 Primary Schools	-	-	-	-	-	-
5.2 Secondary Schools	30,000,000			30,000,000	30,000,000	-
5.3 Tertiary Institutions	10,000,000			10,000,000	9,623,000	377,000
5.4 special needs	-			-	-	-
5.5 Education Support Programmes	-			-	-	-
5.6 Social Security	-			-	-	-
Sub-total	40,000,000	-	-	40,000,000	39,623,000	377,000
7.0 Environment				-		-
Kamelei Primary School			25,000	25,000		25,000
Chemolo Primary School			25,000	25,000		25,000
Chepkobegh Primary School			25,000	25,000		25,000
Kaghot Primary School			25,000	25,000		25,000
Kaipawis Primary School			25,000	25,000		25,000
Kapchikar Primary School			25,000	25,000		25,000
Kapkaremba Secondary School			25,000	25,000		25,000
Kapsangar Secondary School			25,000	25,000		25,000
Karelachon Primary School			25,000	25,000		25,000
Naramam Primary School			25,000	25,000		25,000

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Nyarkulian Primary School			25,000	25,000		25,000
Ptop Primary School			25,000	25,000		25,000
Sesimwo Primary School			25,000	25,000		25,000
Shalpogh Secondary School			25,000	25,000		25,000
Sina Primary School			25,000	25,000		25,000
Sondany Primary School			25,000	25,000		25,000
Sukonu Primary School			25,000	25,000		25,000
Tangasia Primary School			25,000	25,000		25,000
Tapach Primary School			25,000	25,000		25,000
Telo Primary School			25,000	25,000		25,000
AIC Tapach Primary School	50,000			50,000		50,000
Chemoril Primary School	50,000			50,000		50,000
Cheparten Primary School	50,000			50,000		50,000
Chepkono Primary School	50,000			50,000		50,000
imonpoghet Primary School	50,000			50,000		50,000
Kaalotwari Primary School	50,000			50,000		50,000
Kabichbich Primary School	50,000			50,000		50,000
Kacheprkong Primary School	50,000			50,000		50,000
Kapsangar Primary School	50,000			50,000		50,000
Kariamakital Primary School	50,000			50,000		50,000
Lulwoi Primary School	50,000			50,000		50,000
Mokoyon Primary School	50,000			50,000		50,000
Murksian Primary School	50,000			50,000		50,000
Pchotoy Primary School	50,000			50,000		50,000
Pilil Primary School	50,000			50,000		50,000
Ringring Primary School	50,000			50,000		50,000

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Rosoma Primary School	50,000			50,000		50,000
Sikowo Primary School	50,000			50,000		50,000
Tomnyer Primary School	50,000			50,000		50,000
Tomuswo Primary School	50,000			50,000		50,000
Sub-total	1,000,000	-	500,000	1,500,000	-	1,500,000
8.0 Primary Schools Projects				-		-
Chepkata Primary School		-	1,500,000	1,500,000	1,409,879	90,121
Chepokoriong Primary School				-		-
Kaptala Primary School		196,070	1,500,000	1,696,070	1,604,879	91,191
Psamar Primary School		825,000		825,000	825,000	-
Naramam Primary School		-	250,000	250,000	250,000	-
Simotwo Primary School			500,000	500,000	500,000	-
Sobukwo Primary School		-	500,000	500,000	500,000	-
Tapoyo Primary School		1,800,000	700,000	2,500,000	2,424,847	75,153
Tomkositit Primary School		-	1,000,000	1,000,000	969,844	30,156
Losa Primary School			1,500,000	1,500,000	1,454,574	45,426
Chepkobegh Primary School		-	250,000	250,000	250,000	-
Chesuswon Peace Boarder School	1,500,000	850,000		2,350,000	2,258,118	91,882
Meshau Primary School		2,000,000		2,000,000	783,575	1,216,425
Samor Primary School			7,487,300	7,487,300	7,487,300	-
Omusosion Primary School		-	1,000,000	1,000,000	969,253	30,747
Sopowen Primary School			1,000,000	1,000,000	969,658	30,342
Kokwopsis Primary School		-	1,000,000	1,000,000	968,705	31,295
Kakres Primary School		129,425	1,000,000	1,129,425	1,071,106	58,319
Ktaima Primary School		-	1,000,000	1,000,000	869,609	130,391

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Ywalateke Primary School		3,901		3,901	3,901	-
Chebon Primary School		1,049,885		1,049,885	990,227	59,658
Chipagh Primary School		195,000	928,483	1,123,483	1,123,483	-
Loyamuruk Primary School		390,634		390,634	299,000	91,634
Kapkitony Primary School		630,000		630,000	539,791	90,209
Simat Cherpka Primary School		695,000		695,000	695,000	-
Imonpoghet Primary School		500,000		500,000	500,000	-
SDA Parua East Primary School		1,000,000		1,000,000	869,965	130,035
Kapkarawai Primary School		1,000,000		1,000,000	971,101	28,899
Kangatip Primary School		3,000,000		3,000,000	3,000,000	-
Telo Primary School			1,000,000	1,000,000	954,869	45,131
Chelal Primary School		195,560	1,500,000	1,695,560	1,604,767	90,793
Kokwoplekwa Primary School		130,009		130,009	99,999	30,010
Kapchesich Primary School		-	1,000,000	1,000,000	970,913	29,087
Kakalas Primary School		1,000,000		1,000,000	869,626	130,374
Karelachon Primary School		130,000	500,000	630,000	584,967	45,033
Chepukat Primary School			1,000,000	1,000,000	871,149	128,851
Kaghot Primary School		-	1,200,000	1,200,000	1,163,823	36,177
Kapsepai Primary School			1,500,000	1,500,000	1,379,407	120,593
Kaptingwo Primary School		-	1,328,483	1,328,483	1,155,475	173,008
Chemumul Primary School			1,500,000	1,500,000	1,379,037	120,963
Kaptum Primary School		-	1,500,000	1,500,000	1,455,665	44,335
Lulwanoi Primary School			1,000,000	1,000,000	868,846	131,154
Mary Goreti Orolwo Pry School		-	1,200,000	1,200,000	-	1,200,000

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Pilil Primary School			1,500,000	1,500,000	1,304,535	195,465
Salama Primary School		-	1,000,000	1,000,000	969,680	30,320
Sla Primary School			1,000,000	1,000,000	974,815	25,185
St. Mark Kotulpogh Primary School		-	1,400,000	1,400,000	-	1,400,000
Kamonges Primary School			1,500,000	1,500,000	1,379,597	120,403
Korosion Primary School	1,500,000	-	2,000,000	3,500,000	1,838,355	1,661,645
Psirwo Primary School			1,000,000	1,000,000	-	1,000,000
Sebit Primary School	3,000,000	-		3,000,000	2,609,913	390,087
Ortum Girls Primary School	3,400,000			3,400,000	2,957,826	442,174
Kerelwa Primary School	3,000,000	-		3,000,000	-	3,000,000
Kaplelach Primary School	1,500,000			1,500,000	-	1,500,000
Nasukuta Primary School	1,200,000	-		1,200,000	-	1,200,000
Sakale Primary School	1,200,000			1,200,000	-	1,200,000
Seretow Primary School	3,000,000	-		3,000,000	-	3,000,000
Apuk Primary School	3,000,000			3,000,000	-	3,000,000
Chemonges Primary School	3,000,000			3,000,000		3,000,000
Chemotong Primary School	1,300,000			1,300,000		1,300,000
Cheparer Primary School	1,200,000			1,200,000		1,200,000
Chesoton Primary School	1,500,000			1,500,000		1,500,000
Kacheprkong Primary School	1,500,000			1,500,000		1,500,000
Kaipawis Primary School	3,000,000			3,000,000		3,000,000
Kapchemok Primary School	1,500,000			1,500,000		1,500,000
Kapkaremba Primary School	4,000,000			4,000,000		4,000,000
Ksai Primary School	400,000			400,000		400,000
Lopusimoru Primary School	1,000,000			1,000,000		1,000,000
Motokoron Primary School	1,300,000			1,300,000		1,300,000

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Ptarakon Primary School	1,200,000			1,200,000		1,200,000
Pusian Primary School	3,000,000			3,000,000		3,000,000
Ririmboi Primary School	1,200,000			1,200,000		1,200,000
Rosoma Primary School	2,200,000			2,200,000		2,200,000
Sachir Primary School	1,200,000			1,200,000		1,200,000
Sikowo Primary School	1,500,000			1,500,000		1,500,000
Sina Primary School	3,000,000			3,000,000		3,000,000
Sinaya Primary School	1,200,000			1,200,000		1,200,000
St. Dorcas Tukumo Primary School	300,000			300,000		300,000
Toriapkoi Primary School	1,200,000			1,200,000		1,200,000
Torion Primary School	1,500,000			1,500,000		1,500,000
Sub-total	61,000,000	15,720,484	44,744,266	121,464,750	59,952,079	61,512,671
9.0 Secondary Schools Projects (List all the Projects)				-		-
ELCK Chepareria Mixed Sec. Sch.	5,740,561	434,000		6,174,561	3,863,460	2,311,101
Tangasia Secondary School		260,000		260,000	260,000	-
Parua Mixed Day & Boarding Sec Sch.		1,130,500		1,130,500	1,069,772	60,728
Kapkaremba Secondary School		1,696,000		1,696,000	1,604,994	91,006
Kapsangar Secondary School		1,500,000		1,500,000	1,453,869	46,131
Shalpogh Secondary School	1,870,393	4,200,000		6,070,393	4,997,773	1,072,620
St. Alexander Chongis Mixed Sec Sch	9,000,000	-		9,000,000	4,348,152	4,651,848

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St. Mulumba Mixed Sec. School	1,500,000	-		1,500,000	783,312	716,688
SDA Priokwo Secondary School	2,200,000	-		2,200,000	-	2,200,000
AIC Kapkanyar Mixed Sec. School	3,000,000			3,000,000		3,000,000
Cheptuyis Secondary School	3,000,000			3,000,000	-	3,000,000
Kapsait Secondary School	3,000,000			3,000,000	-	3,000,000
Sub-total	29,310,954	9,220,500	-	38,531,454	18,381,332	20,150,122
10.0 Tertiary institutions Projects (List all the Projects)				-		-
Pokot South Technical Training Institute			3,000,000	3,000,000	3,000,000	-
Sub-total	-	-	3,000,000	3,000,000	3,000,000	-
11.0 Security Projects				-		-
Kaalotwari Location Chiefs Office	700,000	2,001,000		2,701,000	1,896,000	805,000
Ywalateke Location Chiefs Office	300,000	1,500,000	1,500,000	3,300,000	2,910,300	389,700
Kipkomo Sub-County DCC Office	800,000			800,000	-	800,000
Chepkobegh Location Chiefs Office	300,000			300,000	-	300,000
Kaptabuk Location Chiefs Office	300,000			300,000	-	300,000
Kapushen Police Post	3,000,000			3,000,000	-	3,000,000
Kapyongen Location Chiefs Office	3,000,000			3,000,000	-	3,000,000

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Parayon Location Chiefs Office	3,500,000			3,500,000	-	3,500,000
Sub-total	11,900,000	3,501,000	1,500,000	16,901,000	4,806,300	12,094,700
12.0 Acquisition of assets				-		-
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of Pokot South CDF Office	1,762,300	6,077,547	3,677,937	11,517,784	7,473,300	4,044,484
Sub-total	1,762,300	6,077,547	3,677,937	11,517,784	7,473,300	4,044,484
13.0 Others				-		-
Kipkomo Subcounty TSC Office		350,000	-	350,000	350,000	-
Pokot South Sub-County Multipurpose Hall			3,000,000	3,000,000	2,610,000	390,000
Kabichbich Chiefs Office Digital Hub	1,500,000	-	-	1,500,000		1,500,000
Pokot South NG-CDF Strategic Plan		900,000	-	900,000	900,000	-
Sub-total	1,500,000	1,250,000	3,000,000	5,750,000	3,860,000	1,890,000
Funds pending approval**				-		-
AIA				-		-
Sub-total				-		-
Total	170,469,857	39,120,384	56,422,203	266,012,445	155,152,651	110,859,794

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 Pokot South Constituency principal activity is the management of the fund at the constituency.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

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

The NG-CDF Pokot South has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

These financial statements were authorized for issue by the accounting officer on 8th August, 2025.

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Basis of Preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

Reporting period

The reporting period for these financial statements is for the period ended 30th June, 2025.

3. Adoption of New and Revised Standards

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

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

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	<i>Not applicable</i>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not applicable</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not applicable</i></p>

ii. 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. Recurrent grants are recognized in the statement of performance Development/capital grants are recognized in the statement of performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

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

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

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

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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) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

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

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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 amortized 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

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or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An

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

Fair value through surplus or deficit

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

Impairment

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

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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes 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) Comparatives

In preparing these financial statements, the entity has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first time adoption of the accrual basis of accounting

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

Description	Period ended June 2025
NG-CDFB Transfers (Allocation for the Financial Year and Prior year outstanding disbursements)	170,469,857
TOTAL	170,469,857

7. Transfers from domestic and foreign partners

Description	FY 2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

Description	FY 2024/2025
	Kshs
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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10. Employees cost

Description	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,015,134
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	2,371,109
Employer Contributions Compulsory national social security schemes	154,039
Employer Contributions Compulsory Housing levy	83,448
Employer contributions to National Industrial Training Authority	7,800
Other Specify	-
Total	5,631,530

11. Committee Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	3,636,800
Other Committee expenses	4,718,900
Total	8,355,700

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12. Use of Goods and services

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	985,620
Communication, supplies and services	
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	467,600
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	-
Fuel, oil & lubricants	-
Bank Charges	-
Routine maintenance – vehicles and other transport equipment	911,220
Routine maintenance – other assets	-
Strategic plan expenses	900,000
Other operating expenses	-
Total	3,264,440

13. Other Government Units Actual Expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	62,241,695
Secondary Schools Actual Expenditure	17,370,393
Tertiary Institutions Actual Expenditure	2,950,000
Total	82,562,088

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14. Other Grants and transfers Actual Expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	30,420,000
Bursary – tertiary institutions	9,203,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	6,300,000
Climate change mitigation projects	-
Emergency projects Actual Expenditure	1,800,000
Roads projects	-
TSC offices	3,350,000
Total	51,073,000

15. Depreciation and Amortization Expenses

Description	Period ended June 2025
	Kshs
Property Plant and Equipment	38,732
Intangible Assets	-
Total	38,732

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank Kapenguria A/c no: 1070261730873 <i>(Operations account)</i>	44,568,195	25,448,400
Equity Bank Kapenguria A/c no: 1070285732738 <i>(Deposit account)</i>	3,114,810	-
<i>PMC's account balances</i>	24,706,932	13,671,984
Total	72,389,938	39,120,384
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

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19A. PMC Banks Accounts Balances as at 30 June 2025

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Opening statement 1 st July 2024
Chepkata Primary School	Equity Bank	1070285408080	90,121	
Kaptala Primary School	Equity Bank	1070282122402	91,191	196,070
Tapoyo Primary School	Equity Bank	1070285266212	75,153	
Tomkositit Primary School	Equity Bank	1070285700884	30,156	
Losa Primary School	Equity Bank	1070285917763	45,426	
Chesuswon Peace Boarder School	Equity Bank	1070285661094	91,882	
Meshau Primary School	Equity Bank	1070286194793	1,216,425	
Omusosion Primary School	Equity Bank	1070284444469	30,747	
Sopowen Primary School	Equity Bank	1070279852818	30,342	
Kokwopsis Primary School	Equity Bank	1070296892903	31,295	
Kakres Primary School	Equity Bank	1070285409476	58,319	129,425
Ktaima Primary School	Equity Bank	1070280986337	130,391	
Chebon Primary School	Equity Bank	1070166287501	59,658	129,885
Loyamuruk Primary School	Equity Bank	1070280823039	91,634	390,634
Kapkitony Primary School	Equity Bank	1070285263379	90,209	
SDA Parua East Primary School	Equity Bank	1070285468226	130,035	1,000,000
Kapkarawai Primary School	Equity Bank	1070285486238	28,899	1,000,000
Telo Primary School	Equity Bank	1070279005225	45,131	
Chelal Primary School	Equity Bank	1070278720508	90,793	195,560
Kokwoplekwa Primary School	Equity Bank	1070285347990	30,010	130,009
Kapchesich Primary School	Equity Bank	1070285978326	29,087	
Kakalas Primary School	Equity Bank	1070284457150	130,374	
Karelachon Primary School	Equity Bank	1070285372217	45,033	130,000
Chepukat Primary School	Equity Bank	1070286131812	128,851	
Kaghot Primary School	Equity Bank	1070179241151	36,177	

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Opening statement 1st July 2024
Kapsepai Primary School	Equity Bank	1070279839355	120,593	
Kaptingwo Primary School	Equity Bank	1070277443298	173,008	
Chemumul Primary School	Equity Bank	1070280961132	120,963	
Kaptum Primary School	Equity Bank	1070285407218	44,335	
Lulwanoi Primary School	Equity Bank	1070169100244	131,154	
Mary Goreti Orolwo Primary School	Equity Bank	1070286177624	1,200,000	
Pilil Primary School	Equity Bank	1070169131549	195,465	
Salama Primary School	Equity Bank	1070279734230	30,320	
Sla Primary School	Equity Bank	1070163447060	25,185	
St. Mark Kotulpogh Primary School	Equity Bank	1070286198906	1,400,000	
Kamonges Primary School	Equity Bank	1070285483004	120,403	
Korosion Primary School	Equity Bank	1070172068530	161,645	
Psirwo Primary School	Equity Bank	1070286371874	1,000,000	
Sebit Primary School	Equity Bank	1070286387807	390,087	
Ortum Girls Primary School	Equity Bank	1070286424138	442,174	
Kerelwa Primary School	Equity Bank	1070286485501	2,000,000	
Kaplelach Primary School	Equity Bank	1070284529268	1,500,000	
Nasukuta Primary School	Equity Bank	1070286528908	1,200,000	
Sakale Primary School	Equity Bank	1070286525003	1,200,000	
Seretow Primary School	Equity Bank	1070286507612	3,000,000	
Parua Mixed Day & Boarding Sec. School	Equity Bank	1070280981751	60,728	1,130,500
Kapsangar Secondary School	Equity Bank	1070285418897	46,131	
Kapkaremba Secondary School	Equity Bank	1070285256701	91,006	196,000
Shalpogh Secondary School	Equity Bank	1070284398222	372,620	
St. Alexander Chongis Mixed Sec. School	Equity Bank	1070283908429	651,848	
E.L.C.K Chepareria Mixed	Equity Bank	1070285299506	570,540	434,000

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Opening statement 1 st July 2024
Secondary School				
St. Mathias Mulumba Mixed Day Sec School	Equity Bank	1070280784155	16,688	
SDA Priokwo Secondary School	Equity Bank	1070286527964	1,200,000	
Pokot South Sub-County Multipurpose Hall	Equity Bank	1070286374567	390,000	
Kaalotwari Location Chiefs Office	Equity Bank	1070285318349	105,000	1,001,000
Ywalateke Location Chiefs Office	Equity Bank	1070285288061	89,700	1,500,000
Kipkomo Sub-County DCC Office	Equity Bank	1070286529656	800,000	
Kapushen Police Post	Equity Bank	1070286555218	3,000,000	
Psamar Primary School	Equity Bank	1070285274294		825,000
Ywalateke Primary School	Equity Bank	1070284403202		3,901
Kapkitony Primary School	Equity Bank	1070285263379		630,000
Simat Cherpka Primary School	Equity Bank	1070285291670		695,000
Chipagh Primary School	Equity Bank	1070285350268		195,000
Imonpoghet Primary School	Equity Bank	1070285486178		500,000
Kangatip Primary School.	Equity Bank	1070285459085		3,000,000
Tangasia Secondary School	Equity Bank	1070285349033		260,000
Total			24,706,932	13,671,984

20. Receivables from Exchange Transactions

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

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i. Ageing Analysis for Receivables

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

21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Transfers from NGCDFB	38,469,857	56,422,203
Outstanding imprest	-	-
Total	38,469,857	56,422,203

i. Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	38,469,857	41%	56,422,203	100%
Between 1- 2 years	56,422,203	59%		%
Between 2-3 years	-		-	%
Over 3 years	-			%
Total (a+b)	94,892,060	100%	56,422,203	100%

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22. Prepayments

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

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23. Property, Plant and Equipment

Description	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	25%	20%	13%	30%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	184,440	15,800,500	-	15,984,940
Additions	-	-	-	-	-	-	6,637,000	-	6,637,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 Jun 2025	-	-	-	-	-	184,440	22,437,500	-	22,621,940
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	55,332	-	-	55,332
Depreciation	-	-	-	-	-	38,732	-	-	38,732
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 June 2025	-	-	-	-	-	94,064	-	-	94,064
Net Book Values									
Opening Bal as at 1 st July 2024	-	-	-	-	-	129,108	15,800,500	-	15,929,608
As At 30 June 2025	-	-	-	-	-	90,376	22,437,500	-	22,527,876

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Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at, PPE has been valued at the current operational value which is the amount the entity would pay for the remaining service potential of an asset at the measurement date.

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:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	0	0	0
Plant And Machinery	0	0	0
Motor Vehicles, Including Motorcycles	0	0	0
Computers And Related Equipment	184,440	94,064	90,376
Office Equipment, Furniture, And Fittings	0	0	0
Total	0	0	0

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

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	0	0
Motor Vehicles including Motorcycles	0	0
Computers and Related Equipment	0	0
Office Equipment, Furniture and Fittings	0	0
Total	0	0

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24. Intangible Assets

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

25. Gratuity Provision

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	967,622	-
Gratuity held during the period (B)	2,371,109	967,622
Gratuity paid during the period (C)		-
Total Gratuity provision as at period 30th D=(A+B-C)	3,338,731	967,622

26. Cash Generated from Operations

Description	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	19,544,366
Adjusted for:	
Depreciation	38,732
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	(17,952,346)
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	2,371,109
Changes in payments received in advance	-
Net cash flow from operating activities	39,906,554

27. 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	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2024/2025)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	38,469,857	38,469,857	0	0
Bank balances	72,389,938	72,389,938	0	0
Total	110,859,795	110,859,795	0	0
As at 30 June (2023/2024)			0	0
Receivables from exchange transactions	-	-	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	39,120,384	39,120,384	0	0
Total	39,120,384	39,120,384	0	0

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Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2024/2025)				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	3,338,731	3,338,731
Total	-	-	3,338,731	3,338,731
As at 30th June (2023/2024)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Gratuity Provision	-	-	967,622	967,622
Total	-	-	967,622	967,622

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 optimizing 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 recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

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

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 endeavored to bank with institutions that offer favorable 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.

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:

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

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

iv) Capital Risk Management

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

Description	FY 2024/2025	<i>Opening Statement 1st July 2025</i>
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash And Cash Equivalents)		
Gearing	-	-

28. Related Party Disclosures

Description	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,636,800	
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	188,422,203	25,448,400
Total	188,422,203	25,448,400

29. Segment Information

The Pokot South NG-CDF only operates within the geographical region of Pokot South Constituency delivering services to the people of Pokot South on Bursaries to needy students in secondary schools and tertiary institutions, projects in both Primary and Secondary Schools, Emergency projects, Security projects and climate change mitigation programs

30. Contingent Assets and Contingent Liabilities

The constituency does not have any contingent asset or contingent liability

31. Capital Commitments

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

32. Events after the Reporting Period

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

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33. Ultimate And Holding Entity

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

34. Currency

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

18. Annexes

Annex 1 – Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	15,800,500	6,637,000	-	22,437,500
Transport equipment				
Office equipment, furniture, and fittings				
ICT Equipment and Other ICT Assets	184,440		-	184,440
Other Machinery and Equipment				
Intangible assets				
Total	22,621,940	6,637,000	-	22,621,940

Annex 2: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
FY 2023/2024	<p>Construction of Two Classrooms to completion at Chepkata Primary School</p> <p>The statement of receipts and payments reflects transfers to other government units' payments amounting to Kshs.108,863,817 which includes transfers to primary schools amounting to Kshs73,301,517. Out of this balance an amount of Kshs. 1,500,000 was incurred on the completion two (2) classrooms at Chepkata</p>	<p>It's true that an amount of Kshs. 1,500,000 was incurred on the completion of two classrooms at Chepkata Primary School vide voucher no 08395.</p> <p>Chepkata primary school is a registered public school with live Board of management committee as guided by the ministry of education, it is this BOM committee that served as the Project Management Committee (PMC) of the school.</p>	Not Resolved	March 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Primary School vide voucher no 08395.</p> <p>However, the management did not provide the expenditure returns to account for the expenditure of Kshs 1,500.00. This is contrary to Section 38 of the National Government Constituency Development Fund Act, 2015</p> <p>Further, during the project's verification conducted on November 2024 revealed that despite Kshs.1,500,000 paid to the contractor the electrical works were not done, the veranda works around the building were not done</p>	<p>The Public procurement procedures were followed and the routine monitoring and evaluation was done. The contract sum was for Kshs 2,999,876 and the contractor was only paid first installment of Kshs 1,500,000 as the works was 80% complete.</p> <p>As at the time of Audit the project works was still ongoing, and the contractor was working to finish the electrical works, the verandah and the ventilation works before the works completion certificates is issued.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	and the ventilation works not also done. In this circumstance, the value for money for the completion of the two-classroom totalling to Kshs. 1,500,000 could not be confirmed.			
FY 2023/2024	<p>Completion of Fencing at Kabichbich Education Office</p> <p>The statement of receipts and payments reflects transfers to other government units' payments amounting to Kshs.108,863,817 which includes transfers to tertiary institution amounting to Kshs 800,000 that was incurred on the fencing of one and half acres Kabichbich Education office and installation of</p>	<p>It's true that an amount of Kshs. 800,000 was incurred on the fencing of one and half acres Kabichbich Education office and installation of gate to completion vide voucher no 174.</p> <p>The Project was implemented on labor-based contract basis and the routine monitoring and evaluation is done.</p> <p>As at the time of Audit the project works was still ongoing, the</p>	Not Resolved	March 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>gate completion vide voucher no 174.</p> <p>However, the management did not provide the project proposals, details of project funding, the approved preliminary evaluation minutes and its attendance register the approved evaluation committee minutes, the approved bill of quantities, letter of acceptance for the award, signed contractual agreement with terms and conditions with completion date of the project, inspection and acceptance reports and NG-CDF monitoring and evaluation reports and works completion certificates.</p>	<p>fencing works was ongoing and the gate was under welding before its installed.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Further, the Fund Management failed to provide the expenditure returns to account for the expenditure of Kshs.800,000. This is contrary to Section 38 of the National Government Constituency Development Fund Act, 2015.</p> <p>In addition, physical verification of the project conducted on November 2024 revealed that despite Kshs.800,000 paid to the contractor, the installation of the gate was not done, one side of the compound was not fenced and the works of fixing the barbed wire on the top chain link was not done.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	Under the circumstance, the value for money for the completion of the fencing of one and half acres and installation of a gate totaling to Kshs.800,000 could not be confirmed.			



Name: Kipomet Festus
 Fund Account Manager.

