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OBIERO

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
TETU CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

TETU 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)

DEPARTMENT OF THE ARMY
GENERAL INVESTIGATIVE DIVISION
WASHINGTON, D. C. 20315
MAY 11 1964
OFFICE OF THE DIRECTOR

NATIONAL COMMISSION ON THE STATUS OF AMERICAN INDIANS

MEMORANDUM

TO: DIRECTOR, GENERAL INVESTIGATIVE DIVISION

FROM: SAC, [illegible]

RE: [illegible]

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Tetu 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	
1.	AIE holder	Margaret. N. Rugiri
2.	National Sub-County Accountant	John Mwangi Kabuthu
3.	Chairman NGCDFC	Robert Kamau Kagiri
4.	Member NGCDFC	Purity Njeri Ndiangui

(c) Fiduciary Oversight Arrangements

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

Deputy County Commissioners Compound
Tetu Sub-County
Nyeri County
Kenya.

(e) NGCDF TETU Constituency Contacts

P.O. Box 12132-10100
Telephone: (254) 722399323
E-mail: cdftetu@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Tetu Constituency Bankers

1. Bank A. (Operations Account). FAMILY BANK
Branch: NYERI
P.O. Box .74145-0200 Nairobi
2. Bank B. (Deposit account). Co-operative Bank
Branch:Nyeri
P.O. Box 12253,1032-10100
nyeri
3. Bank C. (PMC Accounts): FAMILY BANK
Branch:Nyeri
P.O. Box 74145-0200 Nairobi

(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
 Robert Kamau Kagiri(Chairman)	D.O.B:1969 Academic Qualification: K.C.S.E Certificate Professional Qualification: N/A Work Experience: N/A
 Purity Njeri Ndiangui(secretary) female adult	D.O.B:18.09.1991 Academic Qualification: Degree Professional Qualification: Travel and Tourism Work Experience:5yrs
 Margaret Muthoni Muthui(youth female)	D.O.B:28/09/1993 Academic Qualification:Bachelors Of Law Professional Qualification:Lawyer Work Experience:6yrs
 Dickson Wandeto Mugo(male adult)	D.O.B:23.08.1996 Academic Qualification:Degree Professional Qualification:Bachelor of Science in Food Science & Nutrition Work Experience:6yrs
 Philis Wanjiru Mwangi(female adult)	D.O.B:24.04.1979 Academic Qualification:KCSE Certificate Professional Qualification: N/A Work Experience: N/A
 John Kiama Macharia(male youth rep)	D.O.B:26.07.1991 Academic Qualification:KCSE Certificate Professional Qualification: N/A Work Experience:N/A

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 <p>Jane Muthoni Kimani The co-opted member</p>	<p>D.O.B:02.10.1981</p> <p>Academic Qualification:KCSE Certificate</p> <p>Professional Qualification:N/A</p> <p>Work Experience:N/A</p>
 <p>Virginah Njeri Githumbi Deputy County commissioner</p>	<p>D.O. B:01/07/1968</p> <p>Academic Qualification:MBA</p> <p>Professional Qualification:Public Admission</p> <p>Work Experience:16yrs</p>
 <p>Peter Wangombe Wanjiku(Plwd Representative) Fund Account Manager</p>	<p>D.O.B:24.06.1968</p> <p>Academic Qualification:</p> <p>Professional Qualification:KCSE</p> <p>Work Experience:N/A</p>
 <p>Margaret N Rugiri</p>	<p>D.O.B:15.06.1972</p> <p>Academic Qualification:MBA</p> <p>Professional Qualification:Accountant</p> <p>Work Experience:27 years</p>

1.Susan Wambui Giko who served from December 2022 to December 2024 as youth female representative.

4. NG-CDFC Chairman's Report



Tetu NG-CDF had a total budget Ksh 263,608,258 for the financial year 2024/2025. The management received a total of Ksh 227,209,536.00 during the year out of which 132,440,851 was utilized. The performance of the constituency is reflected as per the summary statement of appropriation. I am hopeful that in future the Board will release the funds on time to enable the management implement projects within the financial year allocated.

Tetu NG-CDF has come up with a strategy of implementing projects with high impact and best practice by involving all the stakeholders and technical personnel for better results and ownership. The management is using labour based model of project implementation where the project management committees are involved in sourcing the materials used in the project and also source local labour to implement the projects. This has resulted to more ownership of the projects by the users.

Tetu NG-CDF, encounters challenges in implementation especially due to delayed disbursement of funds from NG-CDF board and preparation of bill of quantities from public works offices .Tetu NG-CDF has resolved to be fast tracking the BQS from public works offices by ensuring that there is a contact person of NG-CDF related works .The committee is working on a formula to make sure that projects are completed in a short period and requisition of funds is done in good time to the Board. In using the labour based model the management as encountered challenges in that most local suppliers lack basic contract requirement such as VAT registration which hinders them from participating in supply tenders. Going forward the management is hoping to sensitize more local artisans and suppliers to comply with requirements of public procurement Act.



Name; Robert Kamau Kagiri
Chairman NGCDF Committee



5. Statement of Performance Against Predetermined Objectives for FY 2024/25

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 Tetu Constituency 2023-2027* plan are to:

a) Education

Objective: To improve access to quality education by improving and constructing school's infrastructure, provision of bursaries to needy students thus keeping them in schools and connecting the schools to the national grid at both levels ie Primary and Secondary.

b) Youth and Sports

Objective: To empower the youth and harness talent by funding the youth sporting activities, creating awareness among the youth on the establishment of youth groups and accessing funds, conducting campaigns on drugs and substance abuse and on HIV and AIDS.

c) Security

Objectives: To enhance security in the Constituency by providing quality, efficient and sufficient infrastructure for the Law enforcers in the constituency.

d) Climate Change Mitigation

Objective: To promote environmental sustainability in the Constituency by creating awareness on the need of environment protection through tree planting initiatives, use of energy saving jikos and other climate mitigation campaigns.

e) Emergency Support

Objective: To cater for any unforeseen occurrences in the Constituency by swift responses and funding.

f) Tracking of results

Objective: To improve the tracking of implementation of NG CDF programmes by initiating monitoring and capacity building of NG CDFCs and PMCs on a regular basis and synthesis the PMC reports into quarterly Project Implementation Status.

g) Institutional Strengthening

Objective: To promote performance management and smooth running of the NG CDF Office by preparing a Strategic Plan, setting up a Constituency Website, Staff training and purchase of working tools and equipment.

Progress on the attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 24/25 we increased number of classrooms-30 classrooms were renovated and 15 existing classrooms were converted into laboratories- 5 new JSS classrooms were constructed .Two new laboratories were constructed. Bursary beneficiaries at all levels were as per the attached schedules Bursary beneficiaries decreased from 12,000 students in the previous year to 10,000 students in various institutions .The reduction was because there were no students in form one. The</p>

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				management awarded a 140 student full first term fees for students who scored 300 marks and above and admitted to schools within Tetu constituency.
Security	To enhance Security status in the constituency by developing and providing proper infrastructure in the provincial administration and security organs.	Increase in number of residents served and reduced cases of insecurity	-Number of chiefs offices constructed -No of assistant chiefs offices constructed -Police post constructed	In financial year 2024/2025 Two new assistant chiefs constructed and one chiefs office renovated
Climate change mitigation	To reduce the amount of greenhouse gases released into the atmosphere and reduce global warming.	Reduced risk and vulnerability to climate change eg floods	3 energy saving jikos were constructed in three learning institutions	In 2024/2025 3 energy saving jikos were constructed in three learning institutions which includes Ihururu Primary School, Kangaita Primary School and Mathakwa-ini Primary school.
Emergency	To respond to any emergency occurrences in the constituency	Reduce fatalities caused unforeseen occurrences	Number of emergency projects implemented	During the financial year the constituency did not experience any emergencies
Tracking of results	Tracking of results	To improve tracking of implementation of NG CDF programmes	Monitoring and capacity building of NG CDFs/PMCs, Field visits.	During the financial year the constituency carried out 12 monitoring visits to various projects. Two capacity building

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				training for NGCDFC,PMC and NGCDF staffs
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6. Governance Statement

a) Appointment and Removal of NGCDF Members

The members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee. A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee. Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel. The selection panel referred to in paragraph (1) shall consist of— one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel; the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and two persons, one of either gender, nominated by the Constituency office.

The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board. The selection panel shall, within fourteen days of receiving the applications under paragraph (5) consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act. The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

The Board shall co-opt the person referred to in section 43(2) (g) of the Act to ensure equitable representation in the membership of a Constituency Committee. The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency. The Board shall submit the names of the seven persons selected from each Constituency in accordance with section 43(2)(b), (c), (d) and (e) of the Act to the National Assembly for approval. The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee. The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing. A member of a Constituency Committee who is appointed under section 43 (2) (b), (c), (d), (e) and (g) may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board. At least one of the Constituency Committee members appointed under section 43(2)(b)(c) or (d) shall be a mandatory signatory to the Constituency accounts.

The members of a Constituency Committee may be removed in accordance with section 43 (13) and (14) of the Act upon a receipt of a complaint against a member. A complaint against

a member of a Constituency Committee shall be deposited with the National Government Constituency Office. The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. If, at a meeting held pursuant to paragraph (4), members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5). The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a Constituency Committee may hear such a member. The member against whom a complaint is made may call witnesses. If the member against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter.

Notwithstanding paragraph (10), a Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. If the member against whom a complaint is made fails to respond to the complaint as may be directed by a Constituency Committee, the Committee may proceed and make a determination based on the evidence available.

A Constituency Committee shall issue its decision on the complaint within seven days after the conclusion of the hearing. If a Constituency Committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision. The communication to the Board under paragraph (14) shall include duly executed proceedings, together with all the supporting documents. The Board shall, within thirty days after receipt of the communication in paragraph (14), consider the matter and issue a final declaration which shall be binding on all parties. A member against whom a complaint is made shall not participate in the deliberations and activities of a Constituency Committee from the time the Constituency Committee starts considering the complaint. If a member against whom a complaint is made responds to the allegations to the satisfaction of a Constituency Committee and the committee makes a determination in favour of such member, the member shall resume duties as a member of the Committee.

A Constituency Committee may remove the Chairperson or secretary from their respective positions for failing to perform their functions, under regulations 8 and 9 respectively. A Constituency Committee shall inform the Chairperson or Secretary of the reasons for the proposed removal, and shall give the Chairperson or Secretary reasonable opportunity to be heard. A Chairperson or secretary who is removed pursuant to paragraph (19) shall continue to discharge duties as a member of the Constituency Committee. At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office.

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List of NG CDFC members and the categories they represent

John Kiama Macharia	male youth representative
Margaret Muthoni Muthui	female youth representative
Philis Wanjiru Mwangi	female adult representative
Peter Wangombe Wanjiru	PWDs representative-
Jane Muthoni Kimani	co-opted member
Robert Kamau Kagiri	male adult representative
Maragret N. Rugiri	FAM
Virginah Njeri Githumbi	deputy county commissioner
Purity Njeri Ndiangu	Female constituency nominee
Dickson Wandeto Mugo	Male constituency office nominee

b) Roles and functions of the NGCDFC Committee

The functions of a Constituency Committee shall be to;

- i. Build the capacity of project management committees and Committee.
- ii. Sensitize the Community on the operations of the Fund, consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency, ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act, ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans, in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution.
- iii. Consult with relevant government departments to ensure that cost estimates for projects are realistic, in considering joint projects. Ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations.
- iv. 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, rank projects proposals in order of priority while ensuring that ongoing projects take precedence, ensure that all projects receive adequate funding and are completed within three years, where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies.
- v. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board, monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board, ensure that project reports are prepared and submitted to the Board.
- vi. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects; 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.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act, collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping

of proper records and maintenance of books of account in accordance with section 38(b) of the Act, recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.

viii. Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain a list of all the new projects commenced during the financial year and their completion status, and a list of all projects approved, funded and commenced during previous financial years, and their completion status, enter into performance contracting with the Board on an annual basis, in exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution.

ix. Receive returns from project management committees in accordance with regulation 15, maintain a database of project management committees and reports from the respective committees, and perform any other function assigned to it by the Board.

TRAINING OF NGCDF MEMBERS

Ongoing Training: After the initial induction, NG-CDF committee members might be provided with continuous training opportunities to stay updated on changes in policies, regulations, and best practices.

c) NGCDF and Sub-Committee Meetings

During the year the NGCDF committee held a total of fifteen meetings as listed below. Member's remuneration Chairperson is given an allowance of Ksh 7,000 per sitting while the rest earn Ksh 5,000 each.

Schedule of meetings Name Meetings held

Name	Meetings held						
	8/01/2025	6/02/2025	24/03/2025	30/04/2025	13/05/2025	26/05/2025	
Robert Kamau	√	√	√	√	√	√	
Margaret N Rugiri	√	√	√	√	√	√	
Purity Njeri Ndiangui	√	√	√	√	√	√	
John Kiama Macharia	√	√	√	√	√	√	
PhilisWanjiru Mwangi	√	√	√	√	√	√	
Jane Muthoni Mwangi	√	√	√	√	√	√	
Margaret muthoni muthui	x	x	x	x	x	√	
Virginah Njeri Githumbi	√	√	√	√	√	√	
Dickson wandeto mugo	x	x	x	x	x	√	
Peter wangombe wanjiku	√	√	√	√	√	√	

Tenure of office

The term shall be two years which is renewable .the serving committee was gazetted on 21st May 2025

Succession plan

A member of the Constituency Committee may be removed from office on any one or more of the following grounds-

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

The members of a Constituency Committee may remove a member in accordance with section 43 (13) and (14) of the Act upon Conflict /complain against a member. A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office.

The complaint referred to shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. If, at a meeting held pursuant to above paragraph, members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complain within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued under above. The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complain is raised may, in addition to the written response required, elect to be heard orally, and a Constituency Committee may hear such a member. The member against whom a complain is made may call witnesses. If the member against whom a complain is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter. The Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. Kenya Subsidiary Legislation, 2016 1955 If the member against whom a complain is made fails to respond to the complain as may be directed by a Constituency Committee, the Committee may proceed and make a determination based on the evidence available. A Constituency Committee shall issue its decision on the complain within seven days after the conclusion of the hearing. If a Constituency Committee resolves to remove the member against whom a complain is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision. The communication to the Board under above paragraph shall include duly executed proceedings, together with all the

supporting documents. The Board shall, within thirty days after receipt of the communication, consider the matter and issue a final declaration which shall be binding on all parties.

A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member

Conflict of Interest

This will require Committee members who have a conflict of interest to excuse themselves from discussion and any voting associated with those measures.

Responsible competition practice by encouraging fair competition and zero tolerance to corruption

Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.

Responsible marketing and advertisement

Product stewardship by safeguarding consumer rights and interest

Risk management

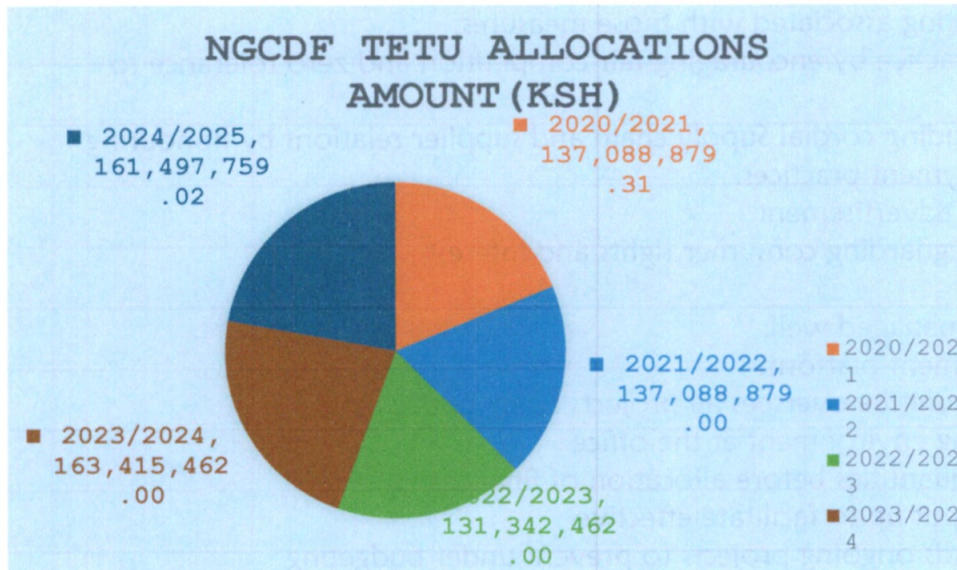
To ensure that all risks are managed well:

1. Through the risk management platform
2. Project management committee oversees all projects being undertaken
3. Creation of good working environment at the office
4. Consideration of bill of quantities before allocation of finances
5. Appropriate mechanism put up to facilitate effective
6. Allocation of enough funds ongoing projects to prevent under budgeting
7. Constant and continuous assessment of ng-cdf projects
8. There is well structured channel between the board and the constituency
9. There is provision of inflation of bill of quantity
10. There is well fitted security at the office, site where projects are undertaken and during assessment
11. Continuous and constant capacity building of employees, board members and stakeholders for the effectiveness.

7. Management Discussion and Analysis

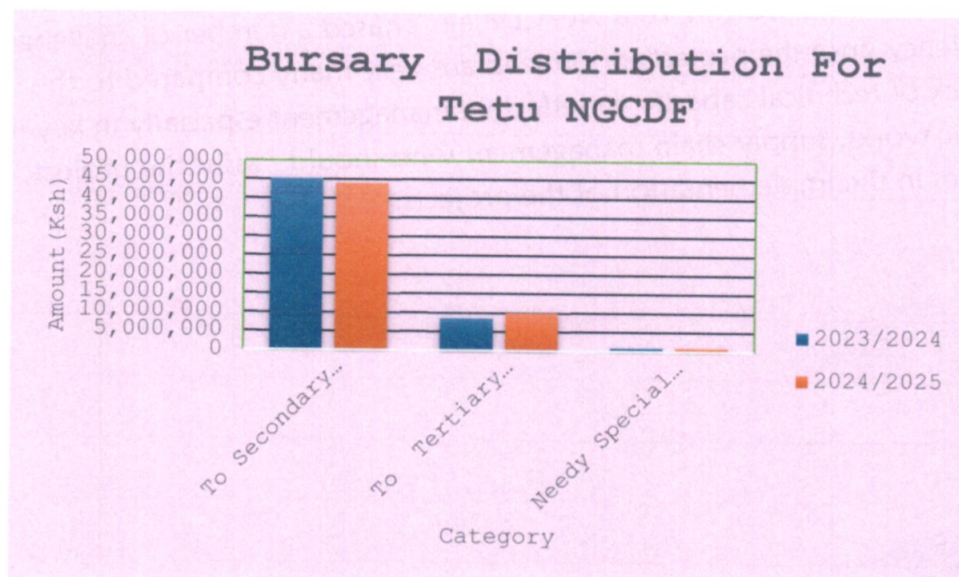
Overview of the operations for the past five years

Tetu constituency management has continued to promote equitable development in the constituency by encouraging community participation in project prioritization. The chairman has been convening open public forum meetings in the three (3) namely Wamagana, Aguthi/ Gaaki and Dedan Kimathi ward. The constituency has witnessed steady increase in the funding allocation received from the board as depicted in the figure below:



For the past five years the management has prioritized urgent infrastructure need in learning institutions and especially in primary school. Between financial years 2020 to 2025 Tetu NG-CDF undertook a number of projects to enhance the learning environment in schools which included over 100 classrooms being renovated both in primary schools and secondary schools, construction of over 20 new classes in both primary and secondary schools, construction of over 15 new ablution blocks, 4 laboratories were constructed and over fifteen classrooms converted into laboratories in primary schools to cater for Junior Secondary Schools.

Apart from improving school infrastructure Tetu NG-CDF has spent a big portion of its annual allocation on bursary to Secondary school student, universities and tertiary institutions and also learners with special needs. Atleast 35% of its allocation is spent on bursary every year with the number of beneficiaries rising from 6000 students in 2020/2021 financial year to 12,000 students in 2024/2025 financial year



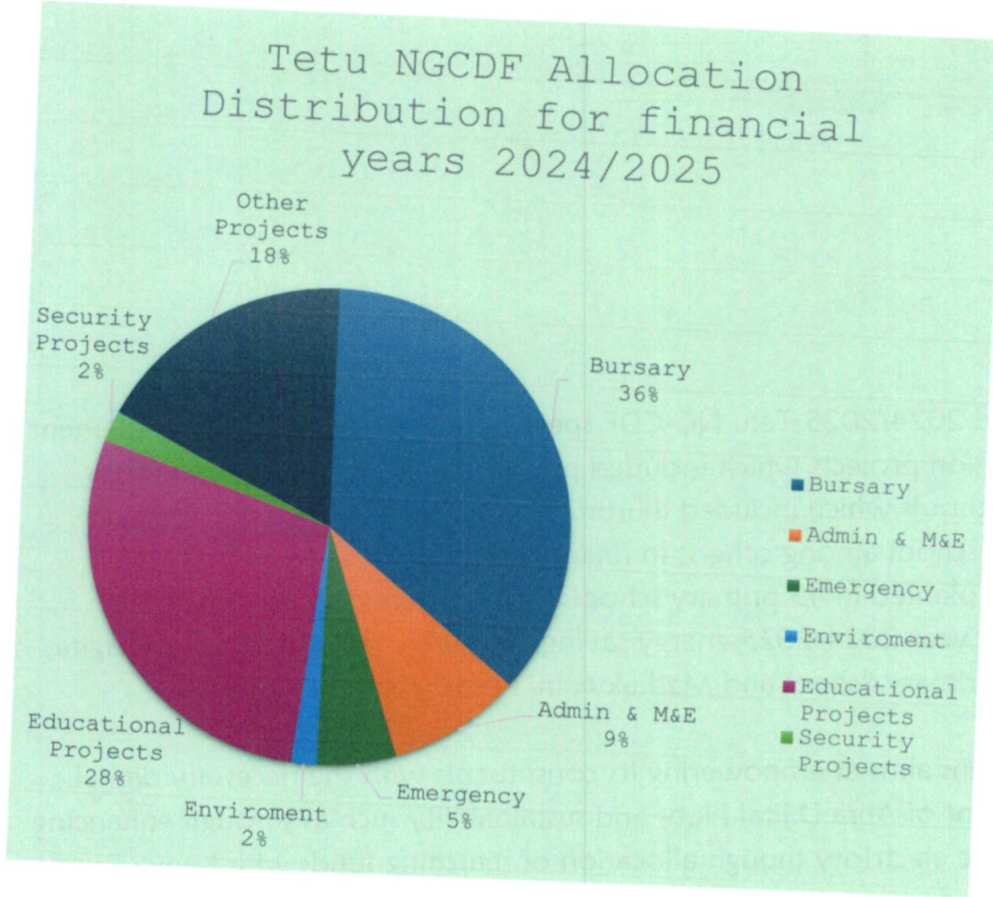
Between 2020/2021 and 2024/2025 Tetu NG-CDF spent part of its allocation to implement environmental conservation projects which included purchase of water tanks and gutters were bought for some schools which included Ihururu Primary schools, Gichira Primary schools, Kiriti secondary school among others. In financial year 2023/2024, 4000 Hass Avocado seedlings were planted in 45 primary schools and 35 secondary schools in the constituency. In financial year 2024/2025 energy saving jikos were constructed in Kanagita Primary school, Ihururu Primary School and Mathakwaini Primary School.


Tetu NG-CDF management aims at empowering its constituents with the necessary digital skills through establishment of Ajira Dijital Hubs and sustainability such as through enhancing the availability of last mile electricity through allocation of matching funds with Kenya Rural Electrification programme and provision of internet by ensuring that the existing digital hubs are allocated sufficient funds for recurrent expenditures.

Currently the Management is undertaking a major project called Tetu Youth Resource Centre comprising of Jitume Digital Hub, Huduma Centre offices, Community Meeting Hall, Talent Incubation Hall, Library and Media Recording Room. The Project is estimated to cost Ksh 53,000,000 and it is expected to be completed in 2025/2026 financial year. This facility will allow more youth to access necessary digital skills which will enable them participate effectively in the digital economy and contribute to its growth.

Tetu NG-CDF has ensured that the funds managed effectively and all statutory requirements are adhered to including remittance of Pay as you earn deducted from employees, VAT withholding tax deducted from suppliers and contractors and payment of all pending bills before the closure of a financial year. The constituency has no litigation of any manner resulting from non-compliance of statutory requirements.

During the implementation of the projects Tetu NG-CDF has phased a number of challenges including funding deficiency since the projects prioritized are very many compared to the allocation available. Lack of technical capacity for effective management especially in key line ministry including public works, supply chain management who should assist the project management committees in the implementation of the projects.




Name **MARGARET N. RUVIRI**
Fund Account Manager



8. Environmental and Sustainability Reporting

Tetu NG-CDF operates within a set of global, regional and national policy, legal and regulatory frameworks that shapes its strategic objectives. These frameworks include the 2010 Constitution of Kenya, Vision 2030, the Bottom –Up Transformation Agenda (BETA), the United Nations 2030 Agenda for Sustainable Development (SDGs), the African Union Agenda 2063 and the East Africa Community Vision 2050 among other emerging policy and legal instruments

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Tetu 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

Tetu NG-CDF undertakes environment conservation initiatives to enhance the quality of life of the constituents as envisioned in vision 2030. The management is committed to conducting its operations in an environmentally responsible manner. The management has therefore devised a policy that outlines the principles, commitments and actions to minimize environmental hazards and promote sustainability in all aspects of the operations. The policy applies to all employees, contractors and partners across all activities. The management therefore endeavors to comply with all applicable environmental laws, regulations and standards. The management is keen in reducing waste emissions and promotes efficiency in the use of energy, water and raw materials.

To achieve this the organization has committed to carry out the following:

- Conduct regular environmental impact assessment
- Set measurable environmental objectives and review them annually.
- Provide training and resources to employees to support environmentally responsible practices
- Monitor, measure and report environmental performance.

Tetu NG-CDF allocated funds in financial year 2024/2025 to carry out community sensitization of environmental conservation issues.

Tetu NG-CDF appreciates the role played by a secure environment in enhancing socio-economic development of the constituency. To ensure that security is enhanced a number of police lines, chiefs and assistant chiefs offices were constructed and renovated in the last five years. This includes Githakwa AP Camp, Gichira AP line, Kangaita Assistant Chiefs office, Kigogoini chiefs office, Mbaani chiefs office, Hubuini Assistant Chiefs office among others.

The management has also taken an opportunity during ward public participation meetings, bursary issuance meetings and project commissioning meetings to sensitize the youth on impact of drug and alcohol abuse. The management has however encountered a number of challenges usually emanating from high levels of unemployment among the youth leading to insecurity.

3. Employee welfare

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

Tetu Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Tetu 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

Tetu 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.

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

.....
Name


MARGARET N. RUGIRA

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-Tetu 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-Tetu 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- Tetu 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 Tetu 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

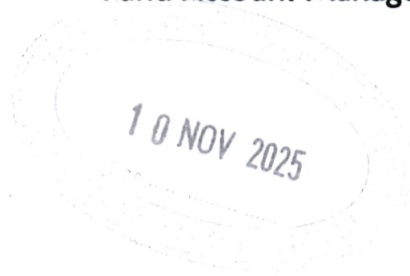
The NGCDF- Tetu Constituency financial statements were approved and signed by the Accounting Officer on 10/11/2025.



.....
Name: Robert Kamau Kagiri
Chairman – NGCDF Committee



.....
Name: Margaret N Rugiri
Fund Account Manager



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TETU 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 - Tetu Constituency set out on pages 1

to 61, which comprise of the statement of financial position as at 30 June, 2025, and the statement of 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 matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Tetu 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 and the Public Finance Management Act, 2012 (and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025).

Basis for Qualified Opinion

1. Presentation and Accuracy of the Financial Statements

Review of the financial statements for the year ended 30 June, 2025 revealed the following anomalies;

- i. The NGCDF Chairman's report in page ix indicated that the Fund had a total budget of Kshs.263,608,258 and that total receipts for the year amounted to Kshs.227,209,536. However, the statement of comparison of budget and actual amounts reflects Kshs.265,150,378 and Kshs.228,751,656 as total budget and total actual receipts respectively resulting in unexplained variance of Kshs. 1,542,120.
- ii. Governance statement in page xvii indicated that the NGCDF committee held fifteen (15) meetings but provided details for only six meetings.
- iii. The statement of changes in net assets reflects Kshs.133,404,370 as revaluation reserves as at 30 June, 2025 instead of accumulated surplus.
- iv. The budget execution by sectors and projects indicated that the Fund incurred Kshs.195,775 as expenditure under emergency projects. However, Note 14 to the financial statements reflects nil actual expenditure in respect to emergency projects.
- v. A casting error was noted in Note 30 to the financial statements where net cash flow from operating activities was reflected as Kshs.40,087,499 whereas on recalculation, the total was Kshs.20,496,085.

In the circumstances, the financial statements may be misleading to the users.

2. First-time Adoption of IPSAS 33 and Transitional Provisions

The front page of the financial statements indicated that the financial statements were Transitional IPSAS financial statements / prepared in accordance with the accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS) instead of indicating one option that was adopted. In addition, Note 2 to the financial statements under the statement of compliance and basis of preparation of financial statements did not clearly indicate whether the financial statements complied with IPSAS or the entity took advantage of transition provisions under IPSAS 33 for a three-year transition period. IPSAS 33 explicitly requires an entity that utilizes any transition exemptions to clearly disclose the transition provisions that it has applied. The Fund did not disclose the specific transitional provisions and measures being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements may be misleading to the users.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Tetu 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 for the year ended 30 June, 2025 reflects final budgeted revenue and actual amounts on comparison basis of Kshs.265,150,378 and Kshs.228,751,656 respectively, resulting to a revenue shortfall of Kshs.36,398,722 or 14% of the budget.

Similarly, out of the actual receipts of Kshs.228,751,656, the Fund expended Kshs.129,917,898 leading to under absorption of Kshs.98,833,758 or 43% of total receipts.

In the circumstances, the under-funding and under absorption of funds affected planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matters

described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Compliance with Law on Contract Management and Project Implementation

Review of approved project code list and the available project implementation status report revealed that the Fund did not implement planned projects valued at Kshs.72,063,083 for the year 2024-2025. Management did not provide a justification on why the planned projects were not implemented.

In the circumstances, failure to implement planned projects may have denied the residents much needed infrastructure facilities and services.

2. Failure to Withhold and Remit Capacity Building Levy.

During the year under review, the Fund awarded various contracts valued at Kshs 25,561,588. However, Management did not withhold and remit the capacity building levy at the rate of 0.03% of contract value to Public Procurement Regulatory Authority. This is contrary to Circular number 01/2024 (Ref;PPRA/6/5 VOL 11 (224) dated 30th August, 2024 which provided guidelines on effecting capacity building levy.

In the circumstances, there is a risk of accumulation of interest and penalties due to non-compliance.

3. Non-Compliance With the Data Protection Act.

The Data Protection (Registration of Data Controllers and Data Processors) Regulations came into effect on 14th July 2022. The regulations require data processors and data controllers to register with the Data Commissioner. However, Management did not provide valid registration certificate for the Fund as required by the Act and Regulations.

In the circumstance, the Fund risks litigations in respect to personal data handling and processing.

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 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

01 December, 2025

National Government Constituencies Development Fund (NGCDF)

Tetu Constituency

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

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

	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		161,497,759
Expenses		
Employee costs	10	2,995,091
Committee expenses	11	8,525,350
Use of Goods and Services	12	8,841,941
Other Government Units Actual expenditure	13	36,663,345
Other Grants and Transfers Actual expenditure	14	66,764,168
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	7,416,072
Total expenses		131,205,967
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		30,291,792

The Constituency financial statements were approved by the NGCDFC on 10/11 2025 and signed by:

Chairman NG-CDF
Committee

Name: Robert kamau kagiri

National Sub-County
Accountant

Name: John Kabuthu
Mwangi
ICPAK M/No:

Fund Account Manager

Name: Margaret N. Rugiri



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

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

	Not e	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	98,833,758	58,746,258
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	36,398,721	44,906,360
Prepayments	22	145,921	109,100
Total Current Assets		135,378,400	103,761,718
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		135,378,400	103,761,718
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	723,861	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,250,168	649,140
Total Current Liabilities		1,974,029	649,140
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,974,029	649,140
Net Assets (A-B)		133,404,371	103,112,578
Represented by:			
Revaluation Reserves		133,404,371	103,112,578
Accumulated Surplus			
Total Net Assets		133,404,371	103,112,578

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

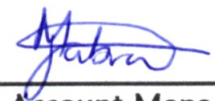
The Constituency financial statements set out on pages 1 to 5 approved by NG CDFC on 10/11/ 2025 and signed by:



Chairman NG-CDF
Committee
Name: Robert Kamau Kagiri



National Sub-County
Accountant
Name: John Kabuthu Mwangi
ICPAK M/No:



Fund Account Manager
Name: Margaret N Rugiri



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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	29,082,229		29,082,229
Adjustments			
Recognition of Assets	74,679,489		74,679,489
Recognition of Liabilities	649,140		649,140
As at July 1, 2024	103,112,578		103,112,578
Surplus/(Deficit) For the Period	30,291,792		30,291,792
Revaluation Gain/Loss			
As at June 30, 2025 (current year)	133,404,370		133,404,370

Note:

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

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

	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		170,005,398
Transfers from domestic and foreign partners		
Finance income		
Miscellaneous income		
Total Receipts		170,005,398
Payments		
Employee costs		2,394,063
Committee expenses		8,525,350
Use of Goods and Services		8,878,761
Other Government Units Certified Works		36,234,293
Other Grants and Transfers		66,469,359
Digital Hubs Expenses		7,416,072
Total Payments		129,917,898
Net Cash Flows from/ (used in) Operating Activities	30	40,087,500
Cash flows From Investing Activities		
Purchase of PPE		
Purchase of Intangible assets		
Proceeds From Sale of PPE		
Net Cash Flows from Investing Activities		
Net increase/(decrease) in cash & Cash equivalents		40,087,500
Cash Flows from Financing Activities		
Lease Payment		
Net Cash Flows from Financing Activities		40,087,500
Cash and cash equivalents at 1 July	19	58,746,258
Cash and cash equivalents at 30 June	19	98,833,758

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	161,497,760	58,746,258	44,906,360	265,150,378	228,751,656	36,398,722	86%
Transfers from domestic and foreign partners							
Finance income							
Miscellaneous income							
Totals	161,497,760	58,746,258	44,906,360	265,150,378	228,751,656	36,398,722	86%
Expenses							
Employee costs	3,859,780		1,077,445	4,937,225	2,394,063	2,543,162	48%
Committee expenses	5,190,085		417	5,190,502	4,945,350	245,152	95%
Use of Goods and Services	5,484,933	5,357,575		10,842,508	10,409,555	432,953	96%
Other Government Units Certified Works	46,000,000	43,064,275	10,632,148	99,696,423	36,234,293	63,462,130	36%
Other Grants and Transfers	99,399,879	10,324,408	30,295,388	140,019,675	75,934,637	64,085,038	54%
Digital Hubs Expenses							
Funds Pending Approval**	1,563,083		2,900,962	4,464,045		4,464,045	0%
Total Expenditure	161,497,760	58,746,258	44,906,360	265,150,378	129,917,898	135,232,480	49%
Surplus for the period							

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*****Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects..***

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Explanatory Notes.

The under utilization on transfer to government unit and other grants and transfers is as a result funds which had not be disbursed from the board as at 30th June 2025.




On compensation of employees the underutilization was as result of anticipation of additional employees during the financial year.

The underutilization on other payments is as a result of an allocation amounting to 7,500,000 meant of matching fund under rural electrification programme that was yet to be disturbed.

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	135,232,480
Less undisbursed funds receivable from the Board as at 30 th June 2025	36,398,722
Cash and Cash Equivalents at the end of the 30 th June 2025	98,833,758

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 10/11/2025 and signed by:

 _____	 _____	 _____
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Margaret N Rugiri	Name: John Kabuthu Mwangi ICPAK M/No:	Name: Robert Kamau Kagiri



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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,859,780		1,077,445	4,937,225	2,394,063	2,543,162
1.2 Committee allowances	2,790,085		417	2,790,502	2,545,350	245,152
1.3 Use of goods and services	3,040,000	5,357,575		8,397,575	8,347,575	50,000
Sub-total	9,689,865	5,357,575	1,077,862	16,125,302	13,286,988	2,838,314
2.0 Monitoring and evaluation						
2.1 Capacity building	1,530,794			1,530,794	1,530,794	
2.2 Committee allowances	2,400,000			2,400,000	2,400,000	
2.3 Use of goods and services	914,139			914,139	531,186	382,953
Sub-total	4,844,933			4,844,933	4,461,980	382,953
3.0						
4.0 Emergency	8,499,879	100,000		8,599,879	195,775	8,404,104
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
Sub-total	8,499,879	100,000		8,599,879		8,404,104
4.0 Bursary and Social Security						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
4.1 Primary Schools						
4.2 Secondary Schools	44,000,000	1,859,654		45,859,654	42,046,909	3,812,745
4.3 Tertiary Institutions	10,000,000			10,000,000	10,000,000	
4.4 Universities						
4.5 special needs	1,000,000			1,000,000	775,000	225,000
4.6 educational support programme	3,000,000			3,000,000	650,000	2,350,000
4.7 Social Security						
Sub-total	58,000,000	1,859,654		59,859,654	53,471,909	6,387,745
5.0 Climate Change Mitigation						
Njoguini secondary school	600,000			600,000		600,000
Ihithe primary school	600,000			600,000		600,000
Kangaita Primary School		350,000		350,000	350,000	
Mathakwaini Primary School		550,000		550,000	550,000	
Ihururu Primary School		550,000		550,000	550,000	
environmental project		1,035.00		1,035.00		1,035
Sub-total	1,200,000	1,451,035		2,651,035	1,450,000	1,201,035
6.0 Primary Schools Projects (List all the Projects)						
Gathathiini Junior School	2,000,000.00			2,000,000		2,000,000
Huhoini Junior School	2,000,000.00			2,000,000		2,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kanjora Junior School	2,000,000.00			2,000,000		2,000,000
Kariguini Junior School	2,000,000.00			2,000,000		2,000,000
Karunaini Junior School	2,000,000.00			2,000,000		2,000,000
Gondo Junior School	2,000,000.00			2,000,000		2,000,000
Miagayuini Junior School	4,000,000.00			4,000,000		4,000,000
Gathuthi Junior School	4,000,000.00			4,000,000		4,000,000
Githakwa Junior School	4,000,000.00			4,000,000		4,000,000
Thageini Junior School	4,000,000.00			4,000,000		4,000,000
Gathinga Junior School	4,000,000.00			4,000,000		4,000,000
Hubuini Primary School		1,500,000		1,500,000		1,500,000
Gathuthi Primary School			600,000	600,000		600,000
Kagwathi Primary School			1,492,316	1,492,316		1,492,316
Gathungo Primary School		849,740		849,740	786,391	63,349
Kiaharo Primary School		2,300,000		2,300,000	2,259,419	40,582
Kigogo Ini Primary Schhol		1,600,848		1,600,848	1,600,442	407
Wandumbi Primary School		1,600,000		1,600,000	1,541,647	58,354
Mathakwaini Primary School		1,013,074		1,013,074	884,486	128,588
Gatumbiro Primary School			1,163,277	1,163,277	1,055,419	107,859
Kagwathi Primary School			1,163,277	1,163,277	1,104,689	58,588
Kangaita Primary School		1,000,802		1,000,802	951,971	48,831

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Kariguini Primary School			1,106,639	1,106,639	1,104,808	1,831
Gondo Primary School			1,106,639	1,106,639	1,104,213	2,427
Ihithe Primary School		1,500,300		1,500,300	1,498,873	1,428
Kiagi Primary		1,501,684		1,501,684	1,501,094	590
Mirichu Primary School		2,253,714		2,253,714	2,103,596	150,118
Ihururu Primary School		6,218,278		6,218,278	6,218,126	152
Nyaithee Primary School		1,500,000		1,500,000	1,499,024	976
Kigwandi Primary School		1,500,000		1,500,000	1,496,305	3,695
Kihora Primary School		1,500,000		1,500,000	1,495,148	4,852
Gichira Primary School		3,000,387		3,000,387	2,998,722	1,666
Githakwa Primary School		1,500,000		1,500,000	1,499,429	571
Njoguini Primary School		1,500,000		1,500,000	1,499,987	13
Wandumbi Primary School		1,500,000		1,500,000	1,433,015	66,985
Thageini Primary School		1,100,693		1,100,693		1,100,693
Miagayuini Primary School		635		635		635
Ngcdf Gathuthi Primary School		95		95		95
Ngcdf Gathinga Primary School		200		200		200
Ngcdf Kaiguri Primary School		125		125		125
Ngcdf Kiawaithanji Primary School		7,065		7,065		7,065

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Ngcdf Kiandu Primary School		13,750		13,750		13,750
Ngcdf Tetu Technical And Vocational College		598,360		598,360	597,493	867
Mutahiini Primary School		4,525		4,525		4,525
Sub-total	32,000,000	35,064,275	6,632,148	73,696,423	36,234,293	37,462,130
7.0 Secondary Schools Projects (List all the Projects)						
Dr. Kamundia Gathuthi Girls High School	6,000,000.00	4,000,000		10,000,000		10,000,000
Kiandu Secondary School	4,000,000.00			4,000,000		4,000,000
Huhoini Girls High School	4,000,000.00			4,000,000		4,000,000
Dedan Kimathi Memorial Secondary School		4,000,000		4,000,000		4,000,000
Kiandu Secondary School			4,000,000	4,000,000		4,000,000
Sub-total	14,000,000	8,000,000	4,000,000	26,000,000		26,000,000
8.0 Tertiary institutions Projects (List all the Projects)						
8.1						
8.2						
8.3						
Sub-total						
9.0 Security Projects						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Gatumbiro Assistant Chief Office	2,500,000.00			2,500,000.00		2,500,000
Karaihu Assistant Chiefs Office	400,000.00			400,000.00		400,000
Gichira Police Post	400,000.00			400,000.00		400,000
Mbaaini Assistant Chief Office		2,000,000		2,000,000	1,807,388	192,613
Gichira Assistant Chief Office		300,000		300,000		300,000
Karunaini Assistant Chief Office		300,000		300,000		300,000
Tetu Deputy Commissioners Compound Security Gate		300,000		300,000	290,717	9,284
Hubuini Assistant Chief Office		2,000,009		2,000,009	1,901,374	98,635
Gaaki Assitant Chief Office		1,998,710		1,998,710	1,901,403	97,307
Sub-total	3,300,000	6,898,719		10,198,719	5,900,881	4,297,838
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)						
10.2 Construction of CDF office						
10.3 Purchase of furniture and equipment						
10.4 Purchase of computers						
10.5 Purchase of land						
Sub-total						

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Programme/Sub-programme	Original Budget Kshs	Adjustments		Final Budget Kshs	Actual on comparable basis Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
11.0 Digital Hubs						
Tetu Constituency Youth Resource Center	20,000,000.00			20,000,000.00		20,000,000
Karundu Chiefs Camp Innovation Hub	300,000			300,000		300,000
Muhoya Chiefs Camp Innovation Hub	300,000.00			300,000.00		300,000
Gichira Chiefs Camp Innovation Hub	300,000.00			300,000.00		300,000
Tetu Constituency Youth Resource Center			20,000,000	20,000,000	5,569,167	14,430,834
Muhoya ChiefsCamp Innovation Hub			1,397,694	1,397,694	1,304,703	92,992
karundu chiefs campinnovation hub			597,694	597,694	542,203	55,491
Gichira Chief Camp Inovation Hub			800,000	800,000		800,000
Sub total	20,900,000		22,795,388	43,695,388	7,416,072	36,279,316
12.0 Others						
Strategic Plan		15,000		15,000		15,000
Rea Electricity Projects Matching Funds	7,500,000.00			7,500,000.00		7,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Ruralelectrification &Renewable Energy Corporation			7,500,000	7,500,000.00	7,500,000	
Sub total	7,500,000.00	15,000	7,500,000	15,015,000	7,500,000	7,515,000
13.0 Funds pending approval**						
13.1 Unapproved projects	1,563,083		2,900,962	4,464,045		4,464,045
13.2 AIA						
13.3						
Sub-total			2,900,962	4,464,045		4,464,045
Total	161,497,760	58,746,258	44,906,360	265,150,378	129,917,898	135,232,480

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

17. Notes to the Financial Statements

1. General information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the NG-CDF's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements (entity to state the transitional provisions it has applied, and the steps being taken towards full compliance with IPSAS Accrual).

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

3. Adoption of New and Revised Standards

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

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

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

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

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

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

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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 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 financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

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

exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

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

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

e) Intangible assets

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

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Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20xx

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.

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6. Transfers from the NGCDF Board

Description	Period ended June 2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	161,497,759
Total	161,497,759

7. Transfers from domestic and foreign partners

Description	Period ended June 2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

10. Employees cost

	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,254,173
Personal allowances paid as part of salary	
House Allowance	
Transport Allowance	
Leave allowance	
Gratuity to contractual employees	601,028
Employer Contributions Compulsory national social security schemes	110,808
Employer Contributions Compulsory Housing levy	29,082
Employer contributions to National Industrial Training Authority	
Other Specify	
Total	2,995,091

11. Committee Expenses

	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	2,545,350
Other Committee expenses	5,980,000
Total	8,525,350

12. Use of Goods and services

	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	50,000
Communication, supplies and services	
Domestic travel and subsistence	885,500
Printing, advertising and information supplies & services	117,120
Office Rent	
Training expenses	531,186
Hospitality supplies and services	877,520
Insurance costs	114,490
Specialized materials and services	
Office and general supplies and services	1,420,838
Fuel, oil & lubricants	800,000
Bank charges	52,165
Routine maintenance – vehicles and other transport equipment	
Routine maintenance – other assets	
Strategic plan expenses	1,985,000
Other operating expenses	2,008,122
Total	8,841,941

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	36,663,345
Secondary Schools Actual expenditure	
Tertiary Institutions Actual expenditure	
Total	36,663,345

14. Other Grants and transfers Actual expenditure

	<i>Period ended June 2025</i>
	Kshs
Bursary – secondary schools	29,735,703
Bursary – tertiary institutions	20,912,000
Bursary – special schools	775,000
Bursary - Education Support programmes	
Social Security programmes (SHIF)	
Security projects Actual expenditure	6,195,690
Climate change mitigation projects	1,645,775
Emergency projects Actual expenditure	
Roads projects Actual expenditure	
Others specify	7,500,000
Total	66,764,168

15. Depreciation and Amortization Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Property Plant and Equipment	
Intangible Assets	
Total	

16. Digital Hubs Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	7,416,072
Digital Hub utility costs Water, Electricity,	
Maintenance of ICT equipment	
Maintenance of building	
Others (<i>specify</i>)	
Total	7,416,072

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	80,431,362	29,082,229.00
<i>Operations account pending closure (Indicate name & account no.)</i>		
<i>Name of Bank, account No. (Deposit account)</i>	1,250,168	
<i>Name of Bank, account No. (PMC accounts)</i>	17,152,228	29,664,029.00
Total	98,833,758	58,746,258
Cash Balances		
Location 1		
Location 2		
Other Locations <i>(Specify)</i>		
Total		
<i>[Provide Cash Count Certificates for Each]</i>		

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

20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1 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)		%		%

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	36,398,721		44,906,360	
Outstanding imprest				
Total	36,398,721		44,906,360	
Ageing Analysis- Receivables from non-exchange transactions	Period ended June 2025	% of the total	Opening Balance	% of the total
Less than 1 year	36,398,721	100%	44,906,360	100%
Between 1-2 years		%		%
Over 3 years		%		%
Total	36,398,721		44,906,360	

22. Prepayments

Description	Period ended June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent				
Prepaid Insurance	145,921		109,100	
Prepaid Electricity Costs				
Other Prepayments (<i>Specify</i>)				
Total	145,921		109,100	

23. Property, Plant and Equipment

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

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

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

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

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

24. Intangible Assets

Description	Period ended June 2025
	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 1 st 2024	
NBV at June 30 th 2025	

25. Right-of use assets

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

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As At 30 June 2025				
As At 30 June 2024				

26. Trade and Other Payables

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

27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	723,861	-
Retention paid during the period (C)	-	-
Closing Retention, D= A+B-C	723,861	-

Retentions aging analysis.

	<i>Period ended June 2025</i>	<i>% of the total</i>	<i>Period ended June 2024</i>	<i>% of the total</i>
Less than 1 year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total				

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

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	
Non- Current	
Total	

29. Gratuity Provision

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	649,140	-
Gratuity held during the period (B)	601,028	649,140
Gratuity paid during the period (C)	-	-
Total Gratuity provision D=(A+B-C)	1,250,168	649,140

30. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus/Deficit for the year	30,291,792
Adjusted for:	
Depreciation	
Impairment	
Gains and losses on disposal of assets	
Working capital adjustments	
Increase/decrease in receivables	(8,470,818)
Increase/decrease in third party deposits	(723,861)
Increase/decrease in gratuity provision	(601,028)
Net cash flow from operating activities	40,087,499

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

31. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				
As at 30 June 2024				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Gratuity Provision				
Total				
As at 30th June 2024				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation				
Total				

iii) Market risk

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

a) Foreign currency risk

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

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Land And Buildings				
Total				
As at 30 th June 2024				
Financial Assets				
Quoted Equity Investments				
Non- Financial Assets				
Investment Property				
Land And Buildings				
Total				

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

iv) Capital Risk Management

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

Description	Period ended 30 th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash And Cash Equivalents)		

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Gearing		
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32. Related Party Disclosures

	<i>Period ended 30th June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	306,000	898,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	170,005,398	162,851,564
Total	170,311,398	162,851,564

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	<i>Period ended 30th June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements		
Assets Arising from Determination Of Court Cases		
Reimbursable Indemnities and Guarantees		
Receivables From Other Government Entities		
Others (Specify)		
Total		

(Give details)

Contingent Liabilities

Description	Period ended 30th june 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities		
Court Case xx against the Entity		
Bank Guarantees in Favour of Subsidiary		
Contingent Liabilities arising from Contracts Including PPPs		
Others (Specify)		
Total		

35. Capital Commitments

Capital Commitments	Period ended 30th june 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for		
Authorised and Contracted for		
Total		

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	29,500,000			29,500,000
Transport equipment	6,090,960			6,090,960
Office equipment, furniture, and fittings	7,636,125			7,636,125
ICT Equipment and Other ICT Assets				
Other Machinery and Equipment				
Intangible assets				
Total	43,227,085			43,227,085

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

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

PMC	Bank	Account number	Bank Balance Period ended 30 th june 2025	Bank Balance Period ended 30 th june 2024
Kiaraho primary school	Family Bank	055000068386	40,581	
Kigogo ini primary schhol		055000064616	406	
Wandumbi primary school		055000068401	125,338	
Mathakwaini primary school		055000064623	128,588	
Gatumbiro primary school		055000064556	107,858	118
Kagwathi primary school		055000064692	58,588	
Kangaita primary school		055000064473	48,831	802
Ihithe primary school		055000054701	1,427	
Kiagi primary		055000064715	590	
Mirichu primary school		055000064610	150,118	
Ihururu primary school		055000064295	152	2,218,278
Gichira primary school		055000064714	1,665	
Ngcdf thageini primary school		055000063476	1,100,693	693
Miagayuini primary school		055000064566	635	635
Gathuthi primary school		055000064653	95	95
Gathinga primary school		055000064562	200	200
Kaiguri primary school		055000064662	125	125

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PMC	Bank	Account number	Bank Balance Period ended 30 th june 2025	Bank Balance Period ended 30 th june 2024
Kiandu Primary School		055000064620	13,750	13750
Tetu Technical And Vocational College		055000064896	867	598360
Tetu Deputy County Commissioner Security Gate		055000068666	9,283	
Hubuini Assistant Chief Office		055000064738	87,932	2,000,009
Muhoya Chief's Camp Innovation Hub		055000069327	92,991	
Karundu Chief's Camp Innovation Hub		055000069326	55,491	
Gaaki Assitant Chief Office		055000064565	97,307	1,998,710
Kiawaithanji Primary School		055000064625	7,065	7065
Gathungo Primary School		055000054710	63,349	
Kariguini Primary School		055000069397	1,831	
Gondo Primary School		055000069419	2,426	
Nyathete Primary School		055000068383	976	
Kigwandi Primary School		055000068403	3,695	
Kihora Primary School		055000068387	4,852	
Githakwa Primary School		055000068400	571	
Njoguini Primary School		055000068402	13	
Mutathiini Primary School		055000064549	4,525	4525
Mbaaini Asst Chief Office		055000069393	192,612	
Tetu Youth Resource Centre		055000069334	14,430,834	

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PMC	Bank	Account number	Bank Balance Period ended 30 th june 2025	Bank Balance Period ended 30 th june 2024
Environmental Project		055000063417	5,260	1035
Ngcdf Tetu Sport Project		55000063249		837
Karunaini assistant chief office		55000070173	300,000	
Total			17,152,228	6,858,311

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Audit report as at 30 th June 2024	The statement of receipt and payment reflects Kshs 2,209,472 in respect of compensation of employees as disclosed in note 4 to the financial statement. Audit review of payroll records revealed the fund contracted staff are entitled to gratuity at a rate of 31% of their annual gross salary however management did not recognize gratuity amount of Kshs 649,140 accrued for Contractual employees under compensation of employees and account payable in the financial statement. In addition ,the fund did not disclose the name of staff ,designation ,date employed and outstanding balance at annex 2 in the financial statement for pending staff payable as required by Public Sector Accounting Standard Board	The management has since recognized the accrues gratuity and has issued and deposited a cheque equivalent to Kshs 649,140 being gratuity due to the following employees: 1.Gladys Muthoni Mwangi-Kshs 148,800 2.Mary Waitherero Maina-Kshs 122,760 3.Peter Murungi Wambugu-Kshs148,800 3.Stakys Kagiri Kariuki-Kshs117,180 4.Philip Muchemi Wambugu-Kshs111,600	Not yet Resolved	September 2025

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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)
	Reporting template .in the circumstances ,the accuracy and completeness of compensation of employees expenditure and account payables balances could not be confirmed.			

Margaret N Rugiri

Name: Margaret N Rugiri
Fund Account Manager.

