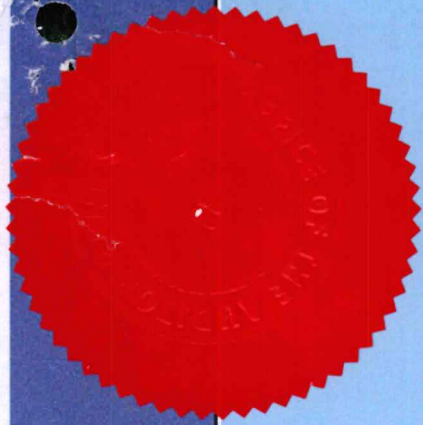


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - LAIKIPIA EAST CONSTITUENCY**

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

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 NOV 2025 DAY: WEDNESDAY

TABLED BY:	DEPUTY MAJORITY WHIP
CLERK-AT-THE-TABLE:	FINLAY





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

LAIKIPIA EAST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- 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 Laikipia East Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Ms. Nancy Wangari Mwangi
2.	National Sub-County Accountant	Mr. Reuben Mose
3.	Chairperson NGCDFC	Ms. Doreen Kanana
4.	Member NGCDFC	Ms. Peninah Kihara (operations bank account signatory)
5.	Member NG CDFC	Mr. John Maina Waweru (deposit bank account signatory)

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Laikipia East Constituency Headquarters

Laikipia East NGCDF Building
Kenyatta Avenue/Road/Highway
Nanyuki KENYA.

(e) NGCDF Laikipia East Constituency Contacts

P.O. Box 920 – 10400 Nanyuki
E-mail: cdlaikipiaeast@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Laikipia East Constituency Bankers

1. Equity Bank. (Operations Account).
0270261969541
Nanyuki Branch
P.O. Box 1482-10400
2. Equity Bank. (Deposit account).
0270285124168
Nanyuki Branch
P.O. Box 1482-10400
3. Equity Bank. (PMC Accounts)
Nanyuki Branch
P.O. 1482-10400
4. Sidian Bank (PMC Accounts)
Nanyuki Branch
P.O. 25363-00603

(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

National Government Constituencies Development Fund (NGCDF)
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3. NGCDF Committee

Name	Details
 <p><i>Ms. Doreen Kanana</i> Chairperson</p>	<p>DOB:19/04/1994 Qualification: Diploma in Project Planning and Management- Executive Assistant Female (Youth)</p>
 <p>Ms. Beth Waithera Muchiri</p>	<p>DOB: 23/02/1985 Qualification: Diploma in business administration Self Employed Female (Adult)</p>
 <p>Mr. Godfrey Gaitho Githuto</p>	<p>DOB:29/04/1996 Qualification: Certificate in Information Communication Technology -Self Employed Male (Youth)</p>
 <p>Mr. John Maina Waweru</p>	<p>DOB:1/01/1983 Qualification: Secondary Level -Self Employed Male Representative</p>

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 <p>Mr. William Gitonga</p>	<p>DOB:29/09/1976 Qualification: Certificate in Community Development-Self Employed Male (Adult)</p>
 <p>Ms. Peninah Kihara</p>	<p>DOB: 18/7/1975 Qualification: Diploma in hairdressing Self Employed Female Representative</p>
 <p>Ms. Rachael Gatana</p>	<p>DOB:22/02/1979 Qualification: Secondary Level -Small Scale Farming</p>
 <p>Mr. Stephen Mathenge</p>	<p>DOB:9/04/1962 Qualification: Masters in Education -School Principal PWD</p>
 <p>Mr. Patrick Muli</p>	<p>DOB:20/11/1970 Qualification: Degree in Business Administration DCC Laikipia East</p>

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Mr. Joshua Marete

DOB:28/10/1968
Qualification: Master of Business Administration- DCC
Laikipia East



Nancy Wangari Mwangi

DOB:27/6/1995
Qualification: Degree in community Development
Field Operations Officer

4. NG-CDFC Chairman's Report



Ms Doreen Kinyua
Chairperson, Laikipia East NGCDFC

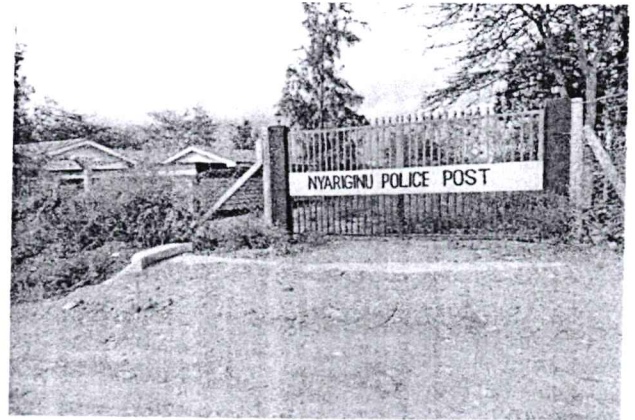
The National Government Constituency Development Fund Laikipia East has had a successful year other than for a few challenges here and there. The organization was able to receive Kshs 184,302,543 as funding from the board during the financial year. Together with the balance brought forward of ksh 29,564,929.50 and AIA of Ksh 155,000 the organization had an actual funds available totaling to Kshs.213,867,472.50 out of which we successfully utilized Kshs 139,340,265 which is a 86% utilization rate. Specifically, compensation of employees amounted to Kshs. 5,151,396 committee expenses amounted to Kshs 3,399,999, use of goods and services amounted to Kshs. 6,302,797; while Kshs.80,585,822 was transferred to other government units, other grants and transfers amounted to Kshs. 75,894,421 As compared to the final budget, however, the utilization rate was 86% which is due to the funds that have not been received from the board and funds which were received late as the financial year came to an end.

- Below is a chart detailing the actual expenditure as compared to the final budget.
- A). Budget Performance**
- In the financial year 2024/2025 NG-CDF Laikipia East budget performance against actual amounts for current year based on economic classification and programmes, was very impressive due to timely disbursement of funds to the constituency by the NG-CDF BOARD,
 - In the financial year ended June 30th, 2025, NG-CDF Laikipia East had a cumulative approved budget of Kshs 179,441,954 and Kshs.184,302,543 was disbursed to the constituency by the NGCDF Board within the financial year.

- NG-CDF Laikipia East disbursed the received funds as follows;
- Kes 80,585,822 was disbursed to various schools and other government agencies for implementation of the approved projects,
- Kes 75,894,421 was issued as bursaries to needy students in the constituency,
- Kes 9,702,796 was used in payment of NG-CDF committee allowances, monitoring, evaluation, use of goods and services and other administration expenses,
- Kes 5,151,396 was used in payment of NG-CDFC staff salaries and gratuity,
- Kes 13,212,133 was used to fund emergency occurrences in the constituency,
- Kes 2,625,812 was used to fund Security activities in the constituency
- The fund was successful in that we were able to disburse bursary to needy students in the constituency and also disbursed bursary for short courses to youths in the constituency. We were able to support infrastructural growth in primary and secondary schools as well as infrastructure for security offices.
- One of the main challenges that the constituency experienced during the implementation of projects during the financial year was the sudden increase in the cost of construction inputs such as cement and steel associated with the increase in fuel costs and general inflation in the economy. This was a challenge because the initial approved budget for projects could no longer suffice to implement projects as costs of inputs rose up. Going forward we are going to review the budgets of projects in line with the new costs for us to maintain the same project deliverables.
- Some of the best projects implemented during the year were:

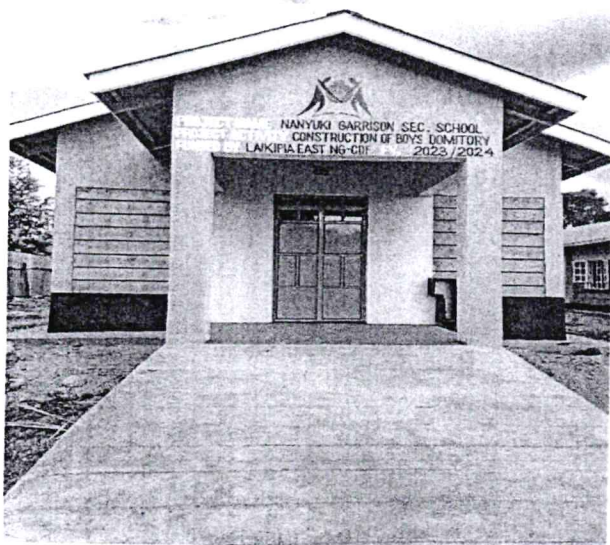
1. NYARIGINU POLICE POST

Nyariginu Residence wrote a proposal for construction of a police post since the residence there were facing a lot of insecurity, after verification of the area the CDFC members agreed to construct a police post in the area.



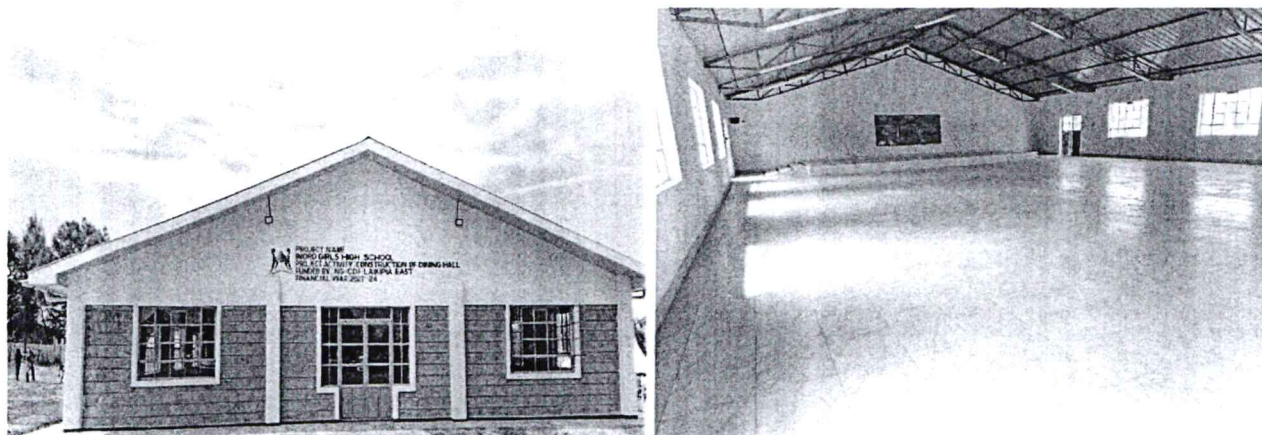
NANYUKI GARRISON SECONDARY SCHOOL

Nanyuki Garrison Secondary school wrote a proposal to the office and requested for a dormitory. The committee members visited the school and agreed that the school indeed needed a dormitory for the students.



INORO SECONDARY SCHOOL

The school did a proposal indicating that they needed a dining hall. The school explained that the students didn't have a decent environment they can have their meals from. After visiting the school the committee members agreed that it was important for the student to have a dining hall.



MT KENYA PRIMARY SCHOOL

Mt Kenya primary school wrote a proposal for construction of a classroom since the existing one was in dilapidated condition, after verification of the state of the existing classroom the NG-CDFC awarded them funds for construction of classrooms.



B). Emerging issues related to NG-CDF in Laikipia East Constituency are;

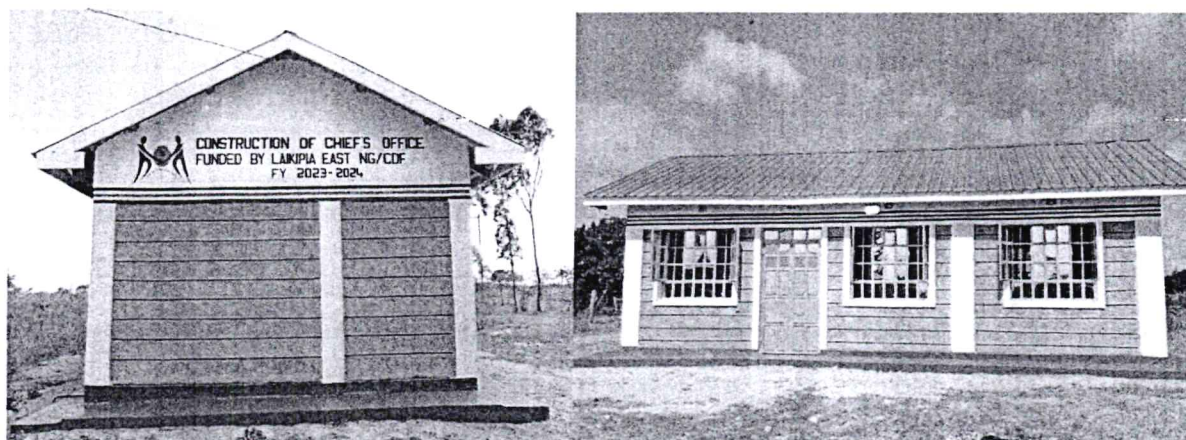
- ❖ Education, Security, Sports, Environment, Water and Roads sectors almost entirely depend on NG-CDF on infrastructure development.
- ❖ Prioritization of projects to fund is becoming more difficult due to the numerous high impacts and deserving projects being proposed by the residents.
- ❖ Increase in population is piling pressure on NG-CDF to allocate more funds to various development infrastructures to cater for the residents.

- ❖ There's a growing Need to compete with the county government in infrastructure development to justify the long existence of NG-CDF.

Key Achievements

Laikipia East NG-CDF successfully completed construction of Classrooms, Administration Blocks, Laboratory in various primary and Secondary Schools to ensure good environment for the students, and gave bursary to needy students. These projects have directly contributed to the betterment of our constituents' lives and have laid the foundation for sustained progress. Below are some of the projects implemented within the financial year.

Some of the projects we have been able to achieve are demonstrated below.



SOLIO VILLAGE 3- CONSTRUCTION OF A CHIEF OFFICE



WITHARE PRIMARY SCHOOL- CONSTRUCTION OF 3 CLASSROOMS

Emerging issues

- Increased number of requests from many primary schools who are in need of funds to construct classrooms and laboratories as a result of change in the education sector i.e. JSS

Implementation challenges

1. Insufficient funds to cater for the community demands. NG-CDF funds should be increased.
3. Inadequate NG-CDF facilitation. Sitting allowances for committees to be revised to improve motivation.

Way forward

- The NG-CDF Board should consider revising or increasing the allocation to projects.

The Board to increase the allocation to the bursary fund kitty.

C). NG-CDF Implementation challenges in Laikipia East Constituency are;

- ❖ Overdependence on the fund by the public and National government functions on all development related needs.

(To overcome this, NG-CDF Laikipia East Committee employs public participation at the ward level in identification of priority projects for funding and bursary beneficiaries within the constituency).

- ❖ Funds disbursement from the board is untimely and unpredictable leading to delays in execution of budgets occasioning unnecessary budgetary adjustments and delays in the implementation of approved projects.

(NG-CDF Laikipia East committee continues to work with the board to facilitate timely disbursement of funds and will endeavour to disburse funds to the project management committees (PMC`s) as soon as it receives).

- ❖ Many projects are allocated funds (thinly spread projects)- leading to projects receiving insufficient funds

(To overcome this challenge, NG-CDF Laikipia East is focusing on allocating enough funds to complete the project.)

.....

Name Doreen Kinyua
Chairman NGCDF Committee

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

Introduction

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

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

- 1.Improving the quality of education and enrollment levels*
- 2.Enhancing security in the region*
- 3.Promotion of sustainable use of natural resources and conservation of the environment*
- 4.Promoting youth development programs*
- 5.Improve on the quality-of-service delivery for Laikipia East NG-CDF*

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>26 Institutions 2,500</i>	<i>In FY 2024/25 -we constructed 24 classrooms in Primary and Secondary Schools, 2 administration blocks in 2 schools, 1 laboratory and 1 dining hall. - Bursary beneficiaries were approximately :2.215 beneficiaries in tertiary</i>

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				institutions, 6,325 beneficiaries in secondary schools
Security	To have a safe and secure environment for business, learning and where the residents go about their lives without fearing for their lives and property.	-Decrease in the number of insecurity related incidents. -Improved security and a more secure business environment	5 projects	In FY 24/25 We built 5 police posts houses namely, Mwireri police post, Kanyoni police post, Wamura police post, Ruai Police post and Baraka police post.
Climate change mitigation activities	To have a well Conserved and Conducive environment, this ensures a safe and habitable planet for the current and future generations.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	9,800 tree seedlings.	In FY 24/25 -we increased number of trees planted where hundreds of tree seedlings were purchased, distributed and planted in 49 Primary and secondary schools.
Emergency	To be able to urgently address Unforeseen occurrences in the constituency.	Immediate restoration of daily activities at minimum disruption of daily life occasioned by unforeseen Occurrences.	Numbers of usable physical infrastructure build and other emergency related activities addressed. Segera primary school, Kariguini primary school, Munyaka primary school, Imenti primary school.	In FY 24/25 There was reallocation of funds under the emergency vote where the following projects were implemented: Bingwa Sec school, Mt. Kenya

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			Mwituria primary school.	primary School,Nyariginu Police Post,Withare Sec School,Ngobit Pry School,Tetu Pry School,Withare pry school,Oltafeta Pry School
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6. Governance Statement

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

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

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

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

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is be the secretary of the selection panel
- iii. Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

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

Appointment of NG-CDF Committee

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a

Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) 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.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) 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.

1952 Kenya Subsidiary Legislation, 2016

Process

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in churches, public offices notice boards and other public areas in the constituency.

30 applications were received. The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed from Laikipia East Constituency Office as per section 43 of the NG-CDF Act, 2015.

Five best NG-CDF applicants were selected taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act

S/N	Name	Category representation	Ward
1.	William Gitonga	Male (Adult)	Ngobit
2.	Godfrey Gaitho	Male (Youth)	Nanyuki
3.	Doreen Kinyua	Female(youth)	Nanyuki
4.	Beth Wadayana	Female (Adult)	Tigithi
5.	Stephen Mathenge	PWD	Umande
6.	Peninah Kihara	Female representative	Thingithu

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7.	John Maina	Male Representative	Thingithu
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Nominee of the person representing persons with disability

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	Stephen Mathenge	National Council Of People Living With Disability	Partially Deaf	Umande

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Rachael Gatana	Female	Ngobit

The list of the selected and recommended members was forwarded to the NG_CDF Board and were further gazetted through a gazette notice dated 21st May,2025.

The Laikipia East NG_CDFC Members were gazetted as follows

<i>S/N</i>	<i>Name</i>	<i>Category</i>	<i>Statutory Provision Under NG-CDF Act</i>
1.	Godfrey Gaitho	Male Youth Representative	Appointment Pursuant to Section 43 (2)(b)
2.	William Gitonga	Male Adult Representative	Appointment Pursuant to Section 43 (2)(b)
3.	Doreen Kinyua	Female Youth Representative	Appointment Pursuant to Section 43 (2)(c)

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4.	Beth Wadayana	Female Adult Representative	Appointment Pursuant to Section 43 (2)(d)
5.	Stephen Mathenge	Representative of Persons Living with Disability	Appointment Pursuant to Section 43 (2)(d)
6.	John Maina	Nominee of the Constituency Office (Male)	Appointment Pursuant to Section 43 (2)(e)

The First NG-CDFC in augural meeting was held on 6th December ,2022. The members carried out an election for the position of a chairperson and the secretary of the committee. The following member were elected.

	NAME	POSITION	WARD
1	Doreen Kinyua	Chairman	Tigithi
2	Peninah Kihara	Secretary	Nanyuki

NG-CDF Regulations Section 7(6) & (7) requires that the first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board and in establishing sub-committees. Under paragraph 5, constituency Committee shall ensure that there is equitable representation

Two functional Committee were constituted as follows;

1. Bursary Sub-committee

	NAME	POSITION
1.	John Maina	Chairperson
2.	Nancy Mwangi	Secretary

3.	Tume Halakhe	Sub-county Director- Laikipia East
4.	Godfrey Githo	Member

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5.	William Gitonga	Member
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2. Complaint Handling & Resolution Committee

	NAME	POSITION
1.	Doreen Kinyua	Member
2.	Patrick Muli	DCC- Laikipia East
3.	Joshua Marete	DCC- Laikipia Central
4.	Rachael Gatana	Member
5.	Stephen Mathenge	Member

The chairman and the secretary are members of both committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also co-opted to be in the Bursary committee.

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act

a) 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.

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 on-going 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.

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.

- v. 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.

Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (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.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Manyatta the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Handing Over

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was carried out smoothly and successfully on 8th December, 2022.

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the

prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Laikipia East.

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues

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

During the financial year 2024/2025 members of NGCDFC Laikipia East adhered to the above ethical issue

Members Remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NG-CDFC members should adhere to general ethics and code of conduct as stipulated in the NG-CDF Act.

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

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Schedule of meetings held during the FY 2024/2025

S.N	NG-CDFC COMMITTEE MEMBERS	JULY 26/07/2024,	AUGUST 2/08/2024,	SEPTEMBER 13/09/2024	NOVEMBER 12/11/2024	JANUARY 16/01/2025	FEBRUARY 13/2/2025	MARCH 10/03/2025 13/03/2025	APRIL 3/04/2025	MAY 22/05/2025	JUNE 5/06/2025
1	Beth Wadayana	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Doreen Kinyua	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Godfrey Gatana	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	John Maina	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	William Gitonga	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Peninah Kihara	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Rachael Kihara	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Patrick Muli	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Stephen Mathenge	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Joshua Marete	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Disclose policy on conflict of interest

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

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations. Embracing the Enterprise Risk Management system and attesting to monthly, quarterly bi-annually and annually compliance and key risk indicators questions, implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

7. Environmental and Sustainability Reporting

Environmental concerns, with an emphasis on climate change mitigation, are central to the government's agenda. The recent amendment to the NG-CDF Act 2022, which raised the allocation for climate change activities from 2% to 5%, reinforces the commitment to addressing these issues through the NG-CDF Fund. In the 2024-2025 financial year, Laikipia East NG-CDF allocated Kshs. 1,400,000 for tree planting projects in 14 institutions within the constituency. These efforts aim to enhance sustainability and contribute to environmental conservation, aligning with the government's broader strategy to combat climate change.

1. Sustainability strategy and profile -

To ensure sustainability of Laikipia East NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Laikipia East NG-CDF 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 marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well 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 the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

NGCDF Laikipia East is committed to better sanitation, improvement of the biodiversity and maintenance of the environment. The organisation has made various strides in environment performance by improving the sanitation of various schools and security offices than previously was. This has been done by constructing pit latrines and installation of water tanks in various schools and security offices.

NG-CDFC Laikipia East also conducts one sensitizations forum every year to the constituents to create awareness of the importance of planting trees to conserve the environment. The Sensitizations are done in various schools where the office donate seedlings to school and join hands with students to plant trees in schools. Sensitization forums are also conducted once

every year on crosscutting issues where the constituents particularly the youth are enlightened on the dangers of drug & Alcohol Abuse as well as engaging in other vices.

NG-CDF staff Have at least one day in every financial year to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects. Sports tournaments are organised at the ward level where the participants who are mostly the youths are sensitised on the importance of conserving the environment through tree planting, and embracing good farming practices.

3. Employee welfare

We invest in providing the best working environment for our employees. Laikipia east constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of 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 cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Laikipia East constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

Laikipia East NGCDF Constituency is committed to fair and ethical market practises.

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 for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to 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 practice 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 interest

5. Community Engagements-

Laikipia East NGCDF has endeavoured 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 sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

Laikipia East Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, 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 the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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

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Name: Nancy Mwangi
Fund Account Manager

8. Management Discussion and Analysis

The NG-CDF Laikipia East Constituency Committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposals as proposed by the residents of the NG-CDF Laikipia East Constituency and ensure that all the approved projects meet the requirements of Sec24 of the NGCDF Act 2015, capacity building of the Project Management Committees (PMCs), monitoring and evaluation of the funded projects. As per the provision of the NGCDF Act 2015 (as amended in 2022), this was achieved mainly through timely disbursement of received funds to the PMCs, projects monitoring and regular NG-CDF meetings.

Budget Performance

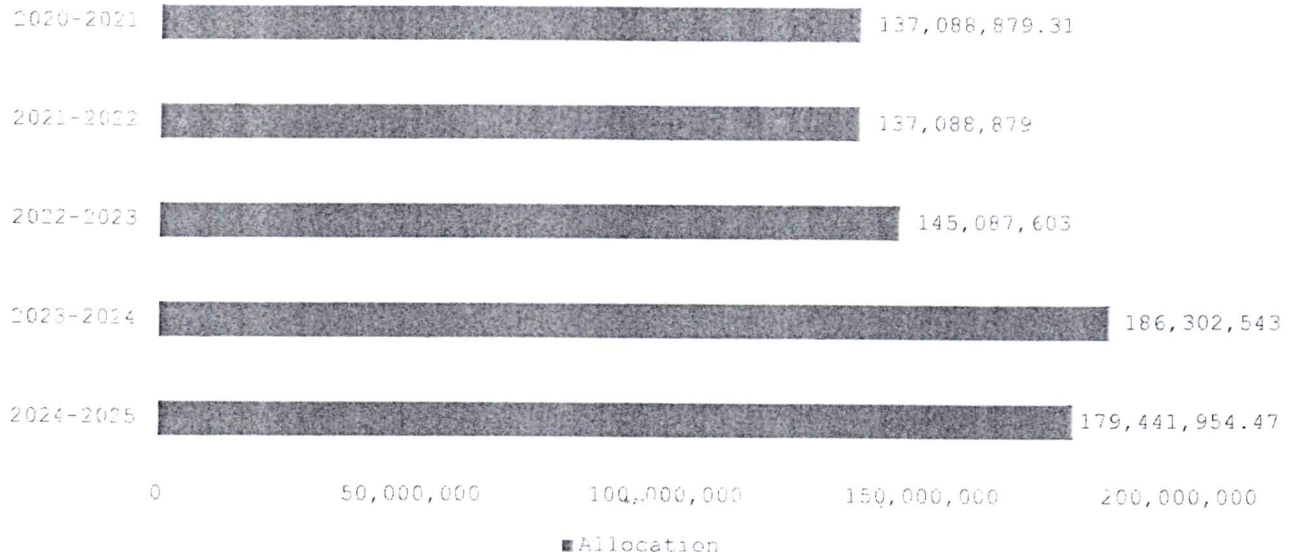
In the financial year 2024/2025 NG-CDF Laikipia East budget performance against actual amounts for current year based on economic classification and programmes, was not very impressive due to delay in disbursement of funds to the constituency by the NG-CDF Board,

In the financial year ended June 30th, 2025, NG-CDF Laikipia East had a cumulative approved budget of Kshs 179,441,954 and seventy eight Percent (98%) of the budget was disbursed to the constituency by the NG-CDF Board within the financial year.

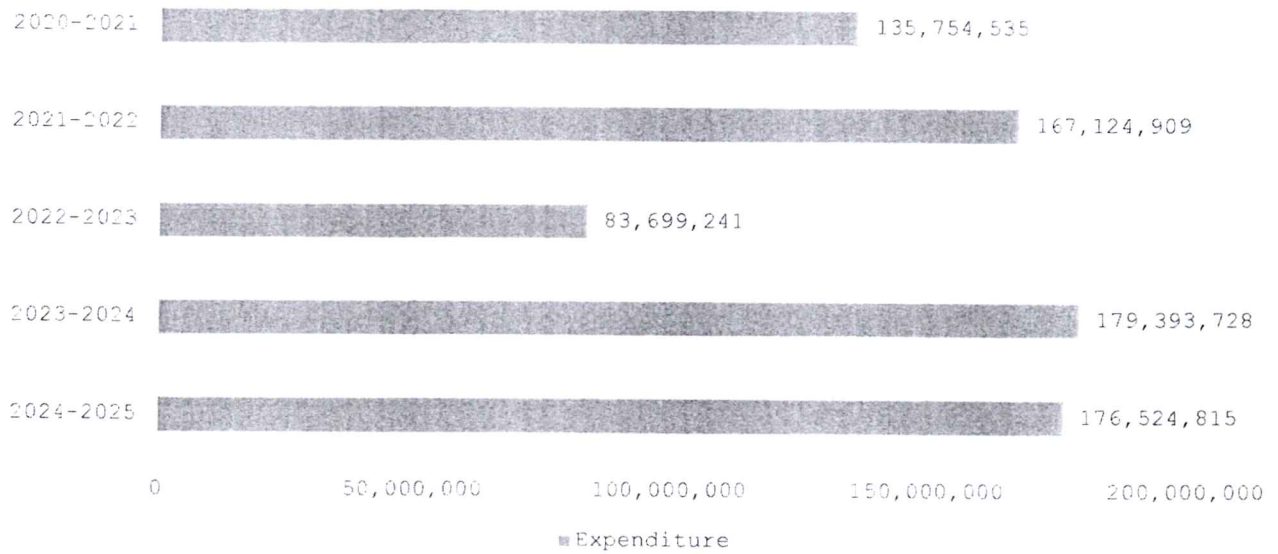
Financial Year	Allocation	Expenditure	Percentage of utilisation
2024-2025	179,441,954.47	176,524,815	98%
2023-2024	186,302,543	179,393,728	96%
2022-2023	145,087,603	83,699,241	51%
2021-2022	137,088,879	167,124,909	91%
2020-2021	137,088,879.31	135,754,535	63.5%

*National Government Constituencies Development Fund (NGCDF)
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Allocation



Expenditure



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

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

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

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

Approval of the financial statements

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

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Name: Doreen Kinyua
Chairman – NGCDF Committee

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Name: Nancy Mwangi
Fund Account Manager

REPUBLIC OF KENYA

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

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Laikipia East Constituency set out on pages 1 to 84,

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

which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Laikipia East Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023) and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual realized revenue of Kshs.322,226,447 and Kshs.270,784,492 respectively resulting in a shortfall of Kshs.51,441,954 or 16% of the budget. Similarly, the Fund spent Kshs.173,055,254 against an actual receipt of Kshs.270,784,492 resulting to an under-absorption of Kshs.97,729,238 or 36% of the actual receipts.

The shortfall in receipts may have adversely affected the implementation of planned activities and impacted negatively on service delivery to the public by the fund for the year ended 30 June, 2025.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Unresolved Prior Year Audit Matters

The following issues raised on National Government Constituencies Development Fund - Laikipia East Constituency in the previous audit report remain unresolved;

1. Misclassification of Expenditure.
2. Award of Bursaries without Unique Identifiers.
3. Un-Surrendered Project Management Committee Bank Accounts.

Other Information

The Committee is responsible for the Other Information set out on page iii to xxxix which comprise of Key Constituency Information and Management, NG-CDF Committee, NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objective, Governance Statement, Environmental and Sustainability Reporting, Management Discussion and Analysis, 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Commingling of Project Funds in Project Management Committees Accounts

The statement of financial performance and Note 13 to the financial statements disclose other government units actual expenditure of Kshs.80,585,822. Review of bank statements and project fund disbursements revealed that the schools' Project Management Committees (PMCs) received funds for multiple projects, but managed the

funds through a single bank account, as described below, instead of project-specific bank accounts as required under Regulation 15(1)(c) of the NG-CDF Regulations, 2016, which requires the Project Management Committee to open and maintain an independent bank account for each project.

- i. Mt. Kenya Primary School received funds totalling Kshs.3,900,000 for the construction of three (3) distinct class rooms in the months of June, September, and November 2024, but the funds were deposited into one account.
- ii. St. Moses Primary School received Kshs.3,740,733, for three (3) projects in June, September, and November 2024 for the construction of two distinct class rooms and cabros, but all funds were managed under one account.
- iii. Tetu Primary School received Kshs.2,600,000 for the construction of two distinct classrooms in the month of September and November, 2024. The funds were managed under one account.

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

2. Unutilized Project Management Committee Account Balances

The statement of financial position and Note 19 to the financial statements discloses cash and cash equivalents balance of Kshs.97,884,238, which includes the Project Management Committees' (PMC) account balances totalling Kshs.19,879,724 as at 30 June, 2025. The balances were not returned to the constituency main account, contrary to Section 12 (8) of the National Government Constituencies Development Fund Act, 2015, which requires that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

Further, analysis revealed that Kshs.15,679,870 held in thirteen (13) PMC accounts remained idle, with two (2) projects of Kshs.4,411,666 were yet to commence, five (5) projects of Kshs.9,678,798 were ongoing, while six (6) projects valued at Kshs.1,589,406 were complete with retention funds held. In addition, four (4) project accounts with balances totalling Kshs.11,256,878 reflected constant brought-forward balances or no activity for over six (6) months, as reflected in the previous year's financial statements.

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

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

REPORT ON THE 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.

Basis for Conclusion

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

Responsibilities of Management and the NGCDF Committee

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 to sustain its services, disclosing, as applicable, matters related to sustainability and using the applicable basis of accounting unless Management is aware of the intention to cease operations.

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

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

The NGCDF Committee is 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


06 November, 2025

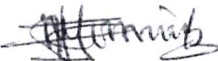
*National Government Constituencies Development Fund (NGCDF)
Laikipia East Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	0
Revenue from exchange transactions		
Finance income	8	0
Miscellaneous income	9	155,000
Total revenue		179,596,954
Expenses		
Employee costs	10	5,151,396
Committee expenses	11	3,399,999
Use of Goods and Services	12	6,302,797
Other Government Units Actual expenditure	13	80,585,822
Other Grants and Transfers Actual expenditure	14	75,894,421
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	5,190,380
Total expenses		176,524,815
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		3,072,139

The Constituency financial statements were approved by the NGCDFC on 11/8/2025 2025 and signed by:


Chairman NG-CDF
Committee
Name: Doreen Kinyua


National Sub-County
Accountant
Name: Reuben Mose
ICPAK M/No: 24657


Fund Account Manager
Name: Nancy Mwangi

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

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


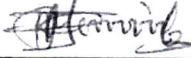

	Note	Period ended June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	97,884,238	86,481,949 [®]
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	51,441,954	56,302,543
Prepayments	22	-	-
Total Current Assets		149,326,192	142,784,492
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		149,326,192	142,784,492
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	2,948,613	333,877
Lease Liabilities	28	-	-
Gratuity Provision	29	1,935,950	1,081,125
Total Current Liabilities		4,884,563	1,415,002
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		4,884,563	1,415,002
Net Assets (A-B)		144,441,630	141,369,490
Represented by:			
Revaluation Reserves		144,441,630	141,369,490
Accumulated Surplus			
Total Net Assets		144,441,630	141,369,490

NOTE:

[®] - represents restated figure

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

The Constituency financial statements were approved by NG CDFC on 11/15/2025 2025 and signed by:

 <hr/>	 <hr/>	 <hr/>
Chairman NG-CDF Committee Name: Doreen Kinyua	National Sub-County Accountant Name: Reuben Mose ICPAK M/No: 24657	Fund Account Manager Name: Nancy Mwangi

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	9,564,930	-	29,564,930
Adjustments			
Recognition of Assets	112,282,587		112,282,587
Recognition of Liabilities	478,027		478,027
As at July 1, 2024	141,369,490		141,369,490
Surplus/(Deficit) For the Period	3,072,139		3,072,139
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	144,441,630	-	144,441,630

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.

*National Government Constituencies Development Fund (NGCDF)
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14. Statement Of Cash Flows for The Year Ended 30th June 2025

	Notes	Period ended June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		184,302,543
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		155,000
Total Receipts		184,457,543
Payments		
Employee costs		4,296,571
Committee expenses		3,399,999
Use of Goods and Services		6,302,797
Other Government Units Certified Works		79,127,264
Other Grants and Transfers		75,108,516
Digital Hubs Expenses		4,820,108
Total Payments		173,055,254
Net Cash Flows from/ (used in) Operating Activities	30	11,402,289
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		11,402,289
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		11,402,289
Cash and cash equivalents at 1 July	19	86,481,949
Cash and cash equivalents at 30 June	19	97,884,238

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

National Government Constituencies Development Fund (NGCDF)
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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	179,441,954	86,481,949	56,302,543	322,226,447	270,784,492	51,441,954	
Transfers from domestic and foreign partners							
Finance income							
Miscellaneous income		155,000		155,000	155,000		
Totals	179,441,954	86,636,949	56,302,543	322,381,447	270,939,492	51,441,954	
Expenses							
Employee costs	5,979,642	1,505,970	-	7,485,612	4,296,571	3,189,041	
Committee expenses	4,006,000	292,633	-	4,298,633	3,399,999	898,634	
Use of Goods and Services	6,164,133	1,420,401	-	7,584,534	6,302,797	1,281,737	

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	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		
Other Government Units Certified Works	56,900,000	48,150,621	31,825,597	136,876,218	79,127,264	57,748,954	
Other Grants and Transfers	91,254,577	32,120,749	18,382,000	141,757,326	75,108,516	66,648,810	
Digital Hubs Expenses	14,587,602	1,296,085	5,900,000	21,783,687	4,820,108	16,963,579	
Acquisition of assets	550,000	699,037	194,946	1,443,983	-	1,443,983	
Funds Pending Approval**		1,151,454	-	1,151,454	-	1,151,454	
Total Expenditure	179,441,954	86,636,949	56,302,543	322,381,447	173,055,254	149,326,193	
Surplus for the period							




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

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

[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	149,326,193
Less undisbursed funds receivable from the Board as at 30 th June 2025	51,441,954
Cash and Cash Equivalents at the end of the 30 th June 2025	97,884,238

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 11th July 2025 and signed by:

 Fund Account Manager
  National Sub-County Accountant
  Chairman NG-CDF Committee

Name: Nancy Mwangi

Name: Reuben Mose
ICPAK M/No: 24657

Name: Doreen Kinyua

National Government Constituencies Development Fund (NGCDF)

Laikipia East Constituency

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,979,642	1,505,970		7,485,612	4,296,571	3,189,041
1.2 Committee allowances	1,716,000	263,355		1,979,355	1,260,000	719,355
1.3 Use of goods and services	3,070,875	333,000		3,403,875	3,120,413	283,462
Sub-total	10,766,517	2,102,325	-	12,868,842	8,676,984	4,191,858
2.0 Monitoring and evaluation						
2.1 Capacity building	1,893,258	702,530		2,595,788	2,534,366	61,422
2.2 Committee allowances	2,290,000	29,278		2,319,278	2,139,999	179,279
2.3 Use of goods and services	1,200,000	384,871		1,584,871	1,508,018	76,853
Sub-total	5,383,258	1,116,679	-	6,499,937	6,182,383	317,554
4.0 Emergency						

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
BINGWA SECONDARY SCHOOL		1,430,196		1,430,196	1,430,196	-
WITHARE SECONDARY SCHOOL		302,765		302,765	302,765	-
TETU PRY SCHOOL		1,028,386		1,028,386	1,028,386	-
WITHARE PRY SCH		1,143,627		1,143,627	1,143,627	-
NGOBIT PRY SCH		2,394,908		2,394,908	2,394,908	-
MT. KENYA PRY		2,426,754		2,426,754	2,426,754	-
OLTAFETA PRY SCHOOL		228,875		228,875	228,875	-
Nyariginu police post		3,359,979		3,359,979	3,359,979	-
unutilized	9,444,313	2,162,194		11,606,507	200,000	11,406,507
Sub-total	9,444,313	14,477,683	-	23,921,996	12,515,489	11,406,507
5.0 Bursary and Social Security						

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.1 Primary Schools	-			-		-
5.2 Secondary Schools	34,705,264	4,836,992		39,542,256	33,400,394	6,141,862
5.3 Tertiary Institutions	22,150,000	1,079,325		23,229,325	20,831,842	2,397,483
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security	4,155,000	3,600,000		7,755,000	3,564,240	4,190,760
Sub-total	61,010,264	9,516,317		70,526,581	57,796,476	12,730,105
7.0 Environment						
BINGWA PRI SCHOOL	100,000		100,000	200,000	100,000	100,000
KIRIMARA PRY SCHOOL	100,000		100,000	200,000	100,000	100,000
MURUNGAI PRY SCHOOL			100,000	100,000	100,000	-

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
GAKEU PRY SCHOOL			100,000	100,000	100,000	-
MUTARO PRY SCHOOL			100,000	100,000	100,000	-
WITHERA PRI SCHOOL			100,000	100,000	100,000	-
MWIHOKO PRY SCHOOL			100,000	100,000	100,000	-
KABANGA PRY SCHOOL			100,000	100,000	100,000	-
SWEETWATERS PRY SCHOOL			100,000	100,000	100,000	-
MATANYA PRY SCHOOL			100,000	100,000	100,000	-
NJOGUINI PRY SCHOOL			100,000	100,000	100,000	-
TETU PRY SCHOOL	100,000		100,000	200,000	100,000	100,000
MITERO PRY SCHOOL			100,000	100,000	100,000	-

National Government Constituencies Development Fund (NGCDF)

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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 (operational, deposit and PMGs C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
NTURUKUMA PRY SCHOOL			100,000	100,000	100,000	-
BINGWA SEC SCHOOL	100,000			100,000		100,000
GARRISON SEC SCHOOL	100,000			100,000		100,000
KALALU GIRLS SEC SCHOOL	100,000			100,000		100,000
KALALU MIXED SEC SCHOOL	100,000			100,000		100,000
LIKII MIXED SEC SCHOOL	100,000			100,000		100,000
LOISE NANYUKI GIRLS SEC	100,000			100,000		100,000
MURUNGAI SEC SCHOOL	100,000			100,000		100,000
NANYUKI HIGH SCHOOL	100,000			100,000		100,000
NDEMU SEC SCHOOL	100,000			100,000		100,000

National Government Constituencies Development Fund (NGCDF)
Laikipia East Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
NKANDO SEC SCHOOL	100,000			100,000		100,000
ST.JUDE NTURUKUMA GIRLS SEC SCHOOL	100,000			100,000		100,000
THINGITHU SEC SCHOOL	100,000			100,000		100,000
THARUA COMPREHENSIVE SCHOOL	100,000			100,000		100,000
NAITURUSHI COMPREHENSIVE SCHOOL	100,000			100,000		100,000
TETU DEB COMPREHENSIVE SCHOOL	100,000			100,000		100,000
KARUNGU COMPREHENSIVE SCHOOL	100,000			100,000		100,000
KIAMBIRIRIA COMPREHENSIVE SCHOOL	100,000			100,000		100,000
KIHATO COMPREHENSIVE SCHOOL	100,000			100,000		100,000
ST.AUGUSTINE SIRMA SEC SCHOOL	100,000			100,000		100,000

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
WIYUMIRIRIE SEC SCHOOL	100,000			100,000		100,000
KARIGUINI SEC SCHOOL	100,000			100,000		100,000
SHALOM CANAAN SEC SCHOOL	100,000			100,000		100,000
KIHATO SEC SCHOOL	100,000			100,000		100,000
MWITURIA SEC SCHOOL	100,000			100,000		100,000
MUKANDAMIA SEC SCHOOL	100,000			100,000		100,000
NANYUKI TOWNSHIP SEC SCHOOL	100,000			100,000		100,000
MATHENYA SEC SCHOOL	100,000			100,000		100,000
GITHERA COMPREHENSIVE SCHOOL	100,000			100,000		100,000
NYAMBOGICHI COMPREHENSIVE SCHOOL	100,000			100,000		100,000

*National Government Constituencies Development Fund (NGCDF)
Laikipia East Constituency*

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
DEB SOLIO COMPREHENSIVE SCHOOL	100,000			100,000		100,000
NGFOBIT PRY SCHOOL	100,000			100,000		100,000
MUTARO COMPREHENSIVE SCHOOL	100,000			100,000		100,000
WATHITUGA SEC SCHOOL	100,000			100,000		100,000
METHA PRY SCHOOL	100,000			100,000		100,000
KIJABE COMPREHENSIVE SCHOOL	100,000			100,000		100,000
OLTAFETA SEC SCHOOL	100,000			100,000		100,000
BINGWA SPECIAL SCHOOL	100,000			100,000		100,000
LIKII SPECIAL SCHOOL	100,000			100,000		100,000
LIKII PRY SCHOOL	100,000			100,000		100,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
MUGUMO PRY SCHOOL	100,000			100,000		100,000
KALALU PRY SCHOOL	100,000			100,000		100,000
NDEMU PRY SCHOOL	100,000			100,000		100,000
NKANDO PRY SCHOOL	100,000			100,000		100,000
NYARIGINU PRY SCHOOL	100,000			100,000		100,000
THINGITHU PRY SCHOOL	100,000			100,000		100,000
MUNYAKA COMPREHENSIVE SCHOOL	100,000			100,000		100,000
WITHARE PRY SCH				-		-
THINGITHU SEC SCHOOL	-		11,482,000	11,482,000		11,482,000
				-		-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	4,900,000	-	12,882,000	17,782,000	1,400,000	16,382,000
8.0 Primary Schools Projects						
IMENTI PRIMARY SCHOOL		1,449,368		1,449,368	1,447,889	1,479
KABANGA PRIMARY SCHOOL		77,165		77,165	74,988	2,178
KALALU PRIMARY		84,219		84,219	73,000	11,219
MATANYA PRIMARY SCHOOL		119,900		119,900	58	119,842
MITERO PRIMARY SCHOOL		5,462		5,462	-	5,462
MUGUMO PRIMARY SCHOOL	1,400,000	54,021		1,454,021	-	1,454,021
MUKANDAMIA SOLIO PRIMARY SCHOOL		196,686		196,686	-	196,686
MUNYAKA PRIMARY SCHOOL		68,339		68,339	59,552	8,788
MURUNGAI PRIMARY SCHOOL	1,400,000	1,297,739		2,697,739	1,294,454	1,403,284

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
MWIHOKO PRIMARY SCHOOL		1,369,962		1,369,962	1,363,687	6,275
NJOGUINI PRIMARY SCHOOL		121,015		121,015	-	121,015
SWEETWATER PRIMARY SCHOOL		83,479	1,300,000	1,383,479	1,289,481	93,998
TIGITHI PRIMARY SCHOOL		174,016		174,016	-	174,016
WERUINI PRY SCHOOL		1,362,387		1,362,387	1,328,928	33,459
NDEMU PRY SCHOOL	3,900,000	1,300,112		5,200,112	1,299,439	3,900,673
WIYUMIRIRIE PRY SCHOOL	2,800,000	2,004,339		4,804,339	2,002,430	2,801,909
MWITURIA PRY SCHOOL	1,400,000	701,000		2,101,000	696,236	1,404,765
KARIGUINI PRY SCHOOL	1,400,000	700,400		2,100,400	664,380	1,436,020
SHALOM CANAAN PRY	1,400,000	1,300,000		2,700,000	1,291,151	1,408,849

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		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
LIKII PRY SCHOOL		700,000		700,000	643,587	56,413
MUHONIA PRY SCHOOL		1,300,001		1,300,001	1,234,643	65,358
NKANDO PRY SCHOOL		2,001,789		2,001,789	2,000,902	886
SIRIMA PRIMARY SCHOOL		1,437,662		1,437,662	1,199,251	238,412
TEMMAKIS PRY SCHOOL		1,302,563		1,302,563	1,298,709	3,854
RIACHO PRY SCHOOL		1,300,000		1,300,000	1,293,535	6,465
MWIYOGO PRY SCHOOL		1,300,000		1,300,000	1,301,019	(1,019)
KARAI PRY SCHOOL	1,400,000		1,300,000	2,700,000	1,271,833	1,428,167
DAIGA PRY SCHOOL		1,300,000		1,300,000	1,296,364	3,636
KARUNGU PRY SCHOOL		1,300,000		1,300,000	1,234,712	65,288

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		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
OLTAFETA PRY SCHOOL		62,520		62,520	1,786,293	(1,723,773)
NTURUKUMA PRY SCHOOL		814,648		814,648	749,870	64,778
DEB BAHATI SOLIO RANCH PRY SCH		2,680	1,300,000	1,302,680	1,250,995	51,685
KIRIMARA PRY SCHOOL		810	2,000,000	2,000,810	1,376,341	624,469
BIDII MUTARA PRY SCHOOL		194,946	1,105,054	1,300,000	1,232,429	67,571
NAITURUCHI PRY SCHOOL		1,300,880		1,300,880	1,206,221	94,659
THARUA PRY SCHOOL		1,298,975		1,298,975	1,298,034	941
SEGERA PRY SCHOOL	1,400,000	-	1,300,000	2,700,000	1,236,605	1,463,395
RUAI PRIMARY SCHOOL	2,200,000	78	1,300,000	3,500,078	1,216,210	2,283,868
BINGWA PRIMARY SCHOOL		2,090		2,090	-	2,090

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		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
MUTARO PRIMARY SCHOOL		135,152		135,152	-	135,152
LECHUGU PRIMARY SCHOOL		1,500,000		1,500,000	1,412,973	87,027
BAHATI PRIMARY SCH		82,094		82,094	69,512	12,582
ST MOSES PRIMARY SCHOOL		3,307,848	540,733	3,848,581	3,803,910	44,671
GAKEU PRY SCH- 23/24		-	3,600,000	3,600,000	3,420,547	179,453
MATHENYA PRY SCH		880	1,300,000	1,300,880	1,218,957	81,923
IRIUKO PRY SCH		-	1,300,000	1,300,000	1,234,262	65,738
MIRERA PRY SCH		659	1,300,000	1,300,659	716,840	583,820
MT. KENYA PRY		-	1,300,000	1,300,000	1,362,635	(62,635)
WITHARE PRY SCH		-	2,600,000	2,600,000	2,600,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
TETU PRY SCHOOL	1,400,000	-	1,300,000	2,700,000	1,225,051	1,474,949
KIJABI PRIMARY SCHOOL	1,400,000	-		1,400,000		1,400,000
GITHERA PRY SCHOOL	1,400,000			1,400,000		1,400,000
NGANO PRY SCHOOL	1,400,000			1,400,000		1,400,000
METHA PRIMARY SCHOOL	1,400,000			1,400,000		1,400,000
RUTUNGURY PRY SCHOOL	1,400,000			1,400,000		1,400,000
NDURURI PRIMARY SCHOOL	1,400,000			1,400,000		1,400,000
BUNGOMA PRIMARY SCHOOL	1,400,000			1,400,000		1,400,000
DEB NANYUKI PRY SC HOOL	1,400,000			1,400,000		1,400,000
MUTHAIGA PRIMARY SCHOOL	1,400,000			1,400,000		1,400,000

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		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
KIBUBUNGI PRIMARY SCHOOL	1,400,000			1,400,000		1,400,000
MOTHER TERESA PRY SCHOOL	1,400,000			1,400,000		1,400,000
NYAKIO PRIMARY SCHOOL	1,400,000			1,400,000		1,400,000
WATHITUGA PRY SCHOOL		300,000		300,000		300,000
GARRISON PRY SCHOOL		475,000		475,000		475,000
Sub-total	36,900,000	33,890,880	22,845,787	93,636,667	54,077,908	39,558,759
9.0 Secondary Schools Projects						
NANYUKI TOWNSHIP SEC	4,900,000	1,300,000		6,200,000	1,229,234	4,970,767
KALALU GIRLS SECONDARY SCHOOL	1,400,000	3,414	1,300,000	2,703,414	574,752	2,128,662
SWEETWATERS MIXED SEC SCHOOL		1,301,400		1,301,400	1,232,097	69,303

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		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
TIGIHI BOYS SECONDARY SCHOOL	5,000,000	2,500,000		7,500,000	11,482,000	(3,982,000)
NGOBIT SEC SCHOOL		79,571		79,571	74,669	4,902
THOME BOYS SEC SCH		700,975		700,975	662,658	38,317
INORO SEC SCHOOL		1,780	7,091,046	7,092,826	3,651,653	3,441,173
NANYUKI GARRISON SEC SCH		3,001,200		3,001,200	3,000,995	205
THARUA SECONDARY SCHOOL		593,490		593,490	-	593,490
LIKII SECONDARY SCHOOL		-	500,000	500,000	499,500	500
ST JUDE NTURUKUMA SEC SCHOOL		143,690		143,690	143,030	660
MURUNGAI SEC SCH		725,322		725,322	664,848	60,474
NYARIGINU SECONDARY SCHOOL	4,500,000	1,997,233		6,497,233	1,833,920	4,663,313

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
WAGUTHIRU SECONDARY SCHOOL		1,911,666	88,764	2,000,430	-	2,000,430
DAIGA SECONDARY SCHOOL	4,200,000			4,200,000		4,200,000
Sub-total	20,000,000	14,259,740	8,979,810	43,239,550	25,049,355	18,190,195
10.0 Tertiary institutions Projects (List all the Projects)						
					-	-
					-	-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
SOLIO VILLAGE 2		500,000		500,000	475,171	24,830
SOLIO VILLAGE 3 CHIEF'S CAMP		-	1,500,000	1,500,000	586,292	913,709

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
SOLIO VILLAGE 4 ASSISTANT COUNTY		4,829,040		4,829,040	-	4,829,040
WIYUMIRIRIE POLICE POST		289,424		289,424	110,209	179,215
CASTLE POLICE POST		1,686,174		1,686,174	1,364,880	321,295
SUB COUNTY COMMANDER		76,292		76,292	-	76,292
WAMURA POLICE POST	3,600,000			3,600,000		3,600,000
BARAKA POLICE POST	2,500,000		2,000,000	4,500,000		4,500,000
BARAKA POLICE POST	4,500,000			4,500,000		4,500,000
BARAKA POLICE POST	4,600,000			4,600,000		4,600,000
BARAKA POLICE POST	700,000			700,000		700,000
CHUMA POLICE POST		505,819		505,819		505,819

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
UMANDE chief's Offices		240,000		240,000		240,000
mwireri police post			2,000,000	2,000,000		2,000,000
				-		
Sub-total	15,900,000	8,126,749	5,500,000	29,526,749	2,536,551	26,990,198
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)				-		-
12.2 Purchase of motorbike		7,332		7,332		7,332
12.2 Construction of CDF office	550,000.00	691,705.00	194,946	1,436,651		1,436,651
Sub-total	550,000	699,037	194,946	1,443,983	-	1,443,983
13.0 Others						
Laikipia East NGCDF Office				-		-

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		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total						
14.0 Digital hub						
Laikipia East NGCDF social hall & digital hub	1,000,000		3,000,000	4,000,000	2,237,501	1,762,499
TIGITHI JITUME ICT HUB	5,200,000		2,900,000	8,100,000	2,582,607	5,517,393
WIYUMIRIRIE DIGITAL HUB	8,100,000			8,100,000		8,100,000
HUDUMA MAKUTANO PMC		1,021,226		1,021,226	1,021,226	-
LAIKIPIA EAST SPORTS PMC		274,859		274,859	274,859	-
Sub-total	14,300,000	1,296,085	5,900,000	21,496,085	6,116,193	15,379,892
15.0 DIGITAL HUB 3% (Administrative & Recurrent Expenditure)	287,602			287,602		287,602

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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 (operational, deposit and PMCs C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
Funds pending approval**				-		-
unapproved projects				-		-
AiA	-	1,151,454		1,151,454		1,151,454
Sub-total	-	1,151,454	-	1,151,454		1,151,454
Total	179,441,954	86,636,949	56,302,543	322,381,447	174,351,339	148,030,108

(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 Laikipia East Constituency principal activity is implementation of projects.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Laikipia East has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Laikipia East has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2024/2025 up to the reporting date.

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

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

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

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in accordance with the PFM Act, the NGCDF Act *(include any other applicable legislation)*, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

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<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that 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</p>

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	<p>under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Not applicable</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not applicable</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not applicable</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<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>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

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

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

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6. Transfers from the NGCDF Board

Description	<i>Period ended June 2025</i>
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Transfers from domestic and foreign partners

Description	<i>Period ended June 2025</i>
	Kshs
Grants	-
Total	-

8. Finance income

Description	<i>Period ended June 2025</i>
	Kshs
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	<i>Period ended June 2025</i>
	Kshs
Rental Income	-

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Income from sale of tenders	65,000
Hire of plant/equipment/facilities	90,000
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	155,000

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10. Employees cost

Description	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,139,623
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	854,825
Employer Contributions Compulsory national social security schemes	106,076
Employer Contributions Compulsory Housing levy	50,873
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	5,151,396

11. Committee Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	3,139,999
Other Committee expenses	260,000
Total	3,399,999

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12. Use of Goods and services

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	256,492
Communication, supplies and services	373,656
Domestic travel and subsistence	1,332,257
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	521,500
Hospitality supplies and services	491,758
Insurance costs	-
Specialized materials and services	17,870
Office and general supplies and services	1,788,156
Fuel, oil & lubricants	900,000
Bank Charges	8,216
Routine maintenance – vehicles and other transport equipment	220,300
Routine maintenance – other assets	392,592
Strategic plan expenses	-
Other operating expenses	-
Total	6,302,797

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	54,894,417
Secondary Schools Actual Expenditure	25,691,405
Tertiary Institutions Actual Expenditure	-
Total	80,585,822

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14. Other Grants and transfers Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Bursary – secondary schools	33,400,394
Bursary – tertiary institutions	20,831,842
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	3,564,240
Security projects Actual Expenditure	2,625,812
Climate change mitigation projects	1,400,000
Emergency projects Actual Expenditure	13,212,133
Roads projects	-
Others specify	860,000
Total	75,894,421

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	-
Digital Hub utility costs Water, Electricity,	-

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Maintenance of ICT equipment	5,190,380
Maintenance of building	-
Others (<i>specify</i>)	-
Total	5,190,380

17. Gain/loss on Sale of Assets

Description	<i>Period ended June 2025</i>	
	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	<i>Period ended June 2025</i>	
	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)

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19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2025
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	75,978,293	30,646,055
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	2,026,221	-
<i>Name of Bank, account No. (PMC's account)</i>	19,879,724	55,835,894
Total	97,884,238	86,481,949
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)

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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	-	#DIV/0!	-	#DIV/0!
Between 1- 2 years	-	#DIV/0!	-	#DIV/0!
Between 2-3 years	-	#DIV/0!	-	#DIV/0!
Over 3 years	-	#DIV/0!	-	#DIV/0!
Total (a+b)	-	#DIV/0!	-	#DIV/0!

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21. Receivables from Non-Exchange Transactions

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Transfers from NGCDFB	51,441,954	56,302,543
Outstanding imprest	-	-
Total	51,441,954	56,302,543

Ageing Analysis for Receivables

Description	<i>Period ended June 2025</i>		<i>Opening Statement 1st July 20XX</i>	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	51,441,954	100%	56,302,543	
Between 1- 2 years		0%	-	
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	51,441,954	100%	56,302,543	0%

22. Prepayments

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

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicle	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
	Kshs	10% Kshs	25.00% Kshs	20% Kshs	12.50% Kshs	30.00% Kshs	Kshs	Kshs	Kshs
Depreciation Rate		10%	25.00%	20%	12.50%	30.00%			
Cost		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th Jun 2025	-	-	-	-	-	-	-	-	-
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th Jun 2025	-	-	-	-	-	-	-	-	-
Net Book Values									
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-	-
As At 31st June, 2025	-	-	-	-	-	-	-	-	-

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Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	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	-	-

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24. Intangible Assets

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Cost		
Opening balance at the beginning of the Period	-	-
Additions	-	-
Disposal	-	-
At end of the Period	-	-
Additions–internal development	-	-
Disposal	-	-
At end of the Period	-	-
Amortization and impairment		
At beginning of the Period	-	-
Amortization	-	-
At end of the Period	-	-
Impairment loss	-	-
At end of the Period	-	-
NBV	-	-

25. Right-of use assets

Description	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 June 2025	-	-	-	-
Carrying Amount				
As at 30 June 2025	-	-	-	-

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26. Trade and Other Payables

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Trade payables	-	-
Employee payables	-	-
Other payables	-	-
Total trade and other payables	-	-

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

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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)	333,877	-
Retention held during the period (B)	5,894,406	333,877
Retention paid during the period (C)	3,279,670	-
Closing Retention as at period xx, D= A+B-C	2,948,613	333,877

Retentions aging analysis.

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Less than 1 year	0		0	
1-2 years	2,948,613	100%	333,877	100%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	2948612.74		333877	

(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</i>
	Kshs	<i>1st July 2024</i> Kshs
Gratuity at the beginning of the period (A)	1,081,125	-
Gratuity held during the period (B)	854,825	1,081,125
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period xx D=(A+B-C)	1,935,950	1,081,125

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	3,072,139
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(4,860,589)
Changes in deferred income	-
Changes in Third party deposits	(2,614,736)
Changes in gratuity provision	854,825
Changes in payments received in advance	-
Net cash flow from operating activities	11,402,289

(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:

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	51,441,954	51,441,954		-
Bank balances				
Total	51,441,954	51,441,954	-	-
As at 30 June 2024				
Receivables from exchange transactions	86,481,949	86,481,949	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	86,481,949	86,481,949	-	-

(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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from 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 poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,935,950	1,935,950
Total	-	-	1,935,950	1,935,950
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
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.

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.

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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	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	144,441,630	141,369,490
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	97,884,238	86,481,949
Net Debt/(Excess Cash And Cash Equivalents)	46,557,392	54,887,541
Gearing	47.5%	63.5%

32. Related Party Disclosures

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,139,999	2,926,681
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	184,302,543	188,653,973
Total	187,442,542	191,580,654

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 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	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	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	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	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 xxx 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 balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost (Kshs)	At Year/period End
Land	-			-	-
Buildings and structures	45,400,314			45,400,314	
Transport equipment	4,217,921			4,217,921	
Office equipment, furniture, and fittings	429,000			429,000	
ICT Equipment and Other ICT Assets	810,000			810,000	
Other Machinery and Equipment	12,441,332			12,441,332	
Intangible assets	-			-	
Total	63,298,567			63,298,567	

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
BAHATI PRIMARY SCH	EQUITY,NANYUKI	0110268441988	12,582	82,094
BIDII MUTARA PRY SCHOOL	EQUITY,NANYUKI	0270285624063	67,571	0
BINGWA PRIMARY SCHOOL	EQUITY,NANYUKI	0270282292505	2,090	2,090
BINGWA SECONDARY SCHOOL	EQUITY,NANYUKI	0270284355834	175,307	1005503
CASTLE POLICE POST	EQUITY,NANYUKI	0270284652860	321,295	1,686,174
DAIGA PRY SCHOOL	EQUITY,NANYUKI	0270285420549	3,636	1,300,000
DEB BAHATI SOLIO RANCH PRY SCH	EQUITY,NANYUKI	0270278915557	51,685	2,680
GAKEU PRY SCH- 23/24	EQUITY,NANYUKI	0270285420292	-29,501	0
HUDUMA MAKUTANO	EQUITY,NANYUKI	0270280794986	0	1,021,226
IMENTI PRIMARY SCHOOL	EQUITY,NANYUKI	0270284363432	1,479	1,449,368
INORO SEC SCHOOL	EQUITY,NANYUKI	0270277812669	3,441,173	1,780
IRIUKO PRY SCH	EQUITY,NANYUKI	0270282775109	65,738	0
KABANGA PRIMARY SCHOOL	EQUITY,NANYUKI	0270284560788	2,178	77,165
KALALU GIRLS SECONDARY SCHOOL	EQUITY,NANYUKI	0270285442941	725,248	0
KALALU PRIMARY	EQUITY,NANYUKI	0270279275385	11,219	84,219
KARAI PRY SCHOOL	EQUITY,NANYUKI	0270286186460	28167	0
KARIGUINI PRY SCHOOL	EQUITY,NANYUKI	0270279621728	36,020	700,400
KARUNGU PRY SCHOOL	EQUITY,NANYUKI	0270285424792	65,288	1,300,000
KIRIMARA PRY SCHOOL	EQUITY,NANYUKI	0270277324353	624,469	810
LAIKIPIA EAST SPORTS	EQUITY,NANYUKI	0270284292800	0	274,859
LECHUGU PRIMARY SCHOOL	EQUITY,NANYUKI	0270285429614	87,027	1,500,000
LIKII PRY SCHOOL	EQUITY,NANYUKI	0270285454571	56,413	700,000
LIKII SECONDARY SCHOOL	EQUITY,NANYUKI	0270277398796	500	0

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MATANYA PRIMARY SCHOOL	EQUITY,NANYUKI	0270284351086	119,842	119,900
MATHENYA PRY SCH	EQUITY,NANYUKI	0270278673862	81,923	880
MIRERA PRY SCH	EQUITY,NANYUKI	0270277331119	583,161	0
MITERO PRIMARY SCHOOL	EQUITY,NANYUKI	0270284359436	5,462	5,462
MT. KENYA PRY	EQUITY,NANYUKI	0270284350623	-605	1,188,784
MUGUMO PRIMARY SCHOOL	EQUITY,NANYUKI	0270284358562	54,021	54,021
MUHONIA PRY SCHOOL	EQUITY,NANYUKI	0270277777756	65,358	1,300,001
MUKANDAMIA SOLIO PRIMARY SCHOOL	EQUITY,NANYUKI	0270284354535	196,686	196,686
MUNYAKA PRIMARY SCHOOL	EQUITY,NANYUKI	0110284392407	8,788	68,339
MURUNGAI PRIMARY SCHOOL	EQUITY,NANYUKI	0270284356729	3284	1,297,739
MURUNGAI SEC SCH	EQUITY,NANYUKI	0270263442350	60,474	725,322
MUTARO PRIMARY SCHOOL	EQUITY,NANYUKI	0270277344583	135,152	135,152
MWIHOKO PRIMARY SCHOOL	EQUITY,NANYUKI	0270278695589	6,275	1,369,962
MWITURIA PRY SCHOOL	EQUITY,NANYUKI	0270279903143	4,765	701,000
MWIYOGO PRY SCHOOL	EQUITY,NANYUKI	0270285423796	-1,019	1,300,000
NAITURUCHI PRY SCHOOL	EQUITY,NANYUKI	0270277968447	94,659	1,300,880
NANYUKI GARRISON SEC SCH	EQUITY,NANYUKI	0270285444291	205	3,001,200
NANYUKI TOWNSHIP SEC	EQUITY,NANYUKI	0270285430444	70,767	1,300,000
NDEMU PRY SCHOOL	EQUITY,NANYUKI	0270277589551	673	1,300,112
NGOBIT PRY SCH	EQUITY,NANYUKI	0270279424864	204,437	-644.40
NGOBIT SEC SCHOOL	EQUITY,NANYUKI	0160277346887	4,902	79,571
NJOGUINI PRIMARY SCHOOL	EQUITY,NANYUKI	0270284371218	121,015	121,015
NKANDO PRY SCHOOL	EQUITY,NANYUKI	0270192993648	886	2,001,789
NTURUKUMA PRY SCHOOL	EQUITY,NANYUKI	0270278572565	64,778	814,648
NYARIGINU POLICE POST	EQUITY,NANYUKI	0270284475714	371,208	1,531,186
NYARIGINU SECONDARY SCHOOL	EQUITY,NANYUKI	0270277354006	163,313	1,997,233
OLTAFETA PRY SCHOOL	EQUITY,NANYUKI	0270284355631	47,352	62,520
RIACHO PRY SCHOOL	EQUITY,NANYUKI	0270285419629	6,465	1,300,000
RUAI PRIMARY SCHOOL	EQUITY,NANYUKI	0110263903130	83,868	78

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SEGERA PRY SCHOOL	EQUITY,NANYUKI	0270285420635	63,395	0
SHALOM CANAAN PRY	EQUITY,NANYUKI	0270285420344	8,849	1,300,000
SIRIMA PRIMARY SCHOOL	EQUITY,NANYUKI	0270279560544	238,412	1,437,662
SOLIO VILLAGE 2	EQUITY,NANYUKI	0270285420231	24830	500,000
SOLIO VILLAGE 3 CHIEF'S CAMP	EQUITY,NANYUKI	0270285420211	913,709	0
SOLIO VILLAGE 4 ASSISTANT COUNTY	EQUITY,NANYUKI	0270279738649	3,429,040	3,429,040
ST JUDE NTURUKUMA SEC SCHOOL	EQUITY,NANYUKI	0270294031515	660	143,690
ST MOSES PRIMARY SCHOOL	EQUITY,NANYUKI	0270282734871	44,671	1,307,848
SUB COUNTY COMMANDER	EQUITY,NANYUKI	0270284777612	76,292	76,292
SWEETWATER PRIMARY SCHOOL	EQUITY,NANYUKI	0270284397961	93,998	83,479
SWEETWATERS MIXED SEC SCHOOL	EQUITY,NANYUKI	0270286186460	69,303	1,301,400
TEMMAKIS PRY SCHOOL	EQUITY,NANYUKI	0270277345082	3,854	1,302,563
TETU PRY SCHOOL	EQUITY,NANYUKI	0270284352017	666,659	320,096
THARUA PRY SCHOOL	EQUITY,NANYUKI	0270285420674	941	1,298,975
THARUA SECONDARY SCHOOL	EQUITY,NANYUKI	0270285420674	593,490	593,490
THOME BOYS SEC SCH	EQUITY,NANYUKI	0270285464891	38,317	975
TIGITHI BOYS SEC SCHOOL	EQUITY,NANYUKI	0270285424645	2,500,000	2,500,000
TIGITHI JITUME ICT HUB	EQUITY,NANYUKI	0270285917475	317,393	0
TIGITHI PRIMARY SCHOOL	EQUITY,NANYUKI	0270271706622	174,016	174,016
WAGUTHIRU SECONDARY SCHOOL	EQUITY,NANYUKI	0270278454203	1,911,666	1,911,666
WERUINI PRY SCHOOL	EQUITY,NANYUKI	0270278700747	33,459	1,362,387
WITHARE PRY SCH	EQUITY,NANYUKI	0110263748852	156,473	100
WITHARE SECONDARY SCHOOL	EQUITY,NANYUKI	0270279783315	31,499	37,264
WIYUMIRIRIE POLICE POST	SIDIAN,NANYUKI	01019030000420	179,215	289,424
WIYUMIRIRIE PRY SCHOOL	EQUITY,NANYUKI	0270284356043	1,909	2,004,339
			19,879,724	55,835,894

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Misclassification of expenditure The statement receipts & payments and as disclosed in Note 8 to the financial statements reflect other grants and transfers balance of Ksh.68,153,522, out of which Kshs.3,636,000 relates to the payment of social security programs. However, the amount includes payments of Ksh.2,400,000 to two tertiary institutions as payments for short</p>		Not resolved	3 rd 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)
	<p>courses and moto cycle driving school training which should have been charged to bursary for tertiary institutions. In the circumstances, the accuracy and completeness of the expenditure on social security programs of Kshs.3,636,000 could not be confirmed</p>			
	<p>Award of bursaries without unique identifiers The statement of receipts and payments and Note 8 to the financial statements reflects other grants and transfers balance of Ksh.68,153,522.</p>	<p>Supporting documents provided</p>	<p>Not resolved</p>	<p>3rd September, 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Included in the amount is Kshs. 35,152,352 and Kshs. 13,715,709 disbursements in respect of bursaries for secondary and tertiary institutions respectively. Review of the bursary distribution list provided for audit review revealed that the 34 beneficiaries in a tertiary institution were awarded bursaries totaling Ksh.185,000 without unique identifiers i.e school admission numbers and 298 beneficiaries in secondary schools were awarded bursaries totaling Ksh.1,370,000 without admission numbers. In the</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>circumstances, the accuracy and completeness of the total bursaries issued without admission numbers of Ksh.1,555,000 could not be confirmed.</p>			
	<p>Unresolved prior year matters In the audit report of the previous year, issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of public Resources and Report on Effectiveness of Internal Control and Governance.</p>		<p>Not resolved</p>	<p>3rd September, 2025</p>
	<p>Budgetary Control and Performance</p>		<p>Not resolved</p>	<p>3rd September, 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The summary statement of appropriation reflects the final receipts budget and actual on a comparable basis of Kshs.265,261,201 and Kshs.208,958,658 respectively resulting to under-funding of Kshs.56,302,543 or 21% of the budget. Similarly, the fund spent Kshs.179,393,728 against an approved budget of Kshs.265,261,201 resulting to an under-expenditure of Kshs.85,867,473 or 32% of the budget.</p>			
	<p>Implementation of Projects Primary Schools The statement of receipt and payments and Note</p>		Not resolved	3 rd September 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>7 to the financial statements reflect transfers to other government units of Kshs. 91,136,236. Included in this amount is Ksh 64,225,000 transferred to primary schools for the construction of classrooms and pit latrines. An audit inspection of the projects done on 29 November, 2024 revealed the following anomalies.</p> <ul style="list-style-type: none"> i. One classroom was constructed to completion at Weruini Primary School at a cost of Kshs.1,300,000. However, gauge 30 iron sheets were used instead of gauge 			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>28 as per the contract and bill of quantities and the classroom had not been utilized at the time of audit.</p> <p>ii. Two classrooms were constructed to completion at Mitero Primary School at accost of Kshs.2,400,000. However, gauge 30 iron sheets were used instead of gauge 28 as per the contract and bill of quantities and the classroom had not been utilized at the time of audit.</p> <p>iii. One classroom was constructed</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>to completion at Mt. Kenya Primary School at a cost of Kshs.1,300,000. However, gauge 30 iron sheets were used instead of gauge 28 as per the contract and bill of quantities and the classroom had not been utilized at the time of audit.</p> <p>iv. One classroom was constructed to completion at Sweet Water Primary School at a cost of Kshs.1,200,000. However, gauge 30 iron sheets were used instead of gauge 28 as per the</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	contract and bill of quantities and the classroom had not been utilized at the time of audit.			
	<p>Security Projects The statement of receipts and payments and Note 8 to the financial statements reflects other grants and transfers amounting to Kshs.68,153,522. Included in this balance is Kshs. 7,600,000 spent on the construction of two security projects. However, a physical verification revealed the following anomalies: 1. Nyariginu Police Post was constructed at accost of Kshs.2,500,000. This</p>	Supporting documents provided	Not resolved	3 rd September 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>was for the construction of three offices, two cells and a reporting office. However the project was complete but was not being used.</p> <p>2. The Castle Police post was constructed at a cost of Ksh.5,500,000 which was for construction of 3offices,2cells and a reporting office and latrine. Paving slabs around the building charges Ksh.40,800 in the bills of quantity not done. Rainwater goods were not installed despite being charged Ksh.19,950 in the bills of quantities.</p> <p>Further, the project was complete but not in use.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Un-surrendered Project Management Committee Bank Accounts</p> <p>The financial statements under annex 5 reflect Kshs. 16,422,507 in respect to the PMC account. These amounts were not surrendered to the main NG-CDF bank accounts</p>			3 rd September 2025

Nancy Mwangi.....

Name
Fund Account Manager.