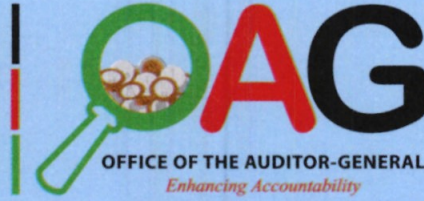


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REPORT

DATE: 11 FEB 2026

DAY: Wednesday

TABLED BY:

Hon. (Dr.) Robert Lukose on behalf of Leader of Majority

OF

TABLE: Home

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND-  
MATHIRA CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2025



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MATHIRA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

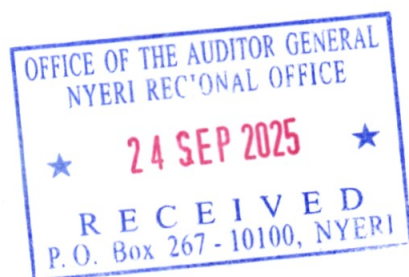


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1. Acronyms and Definition of Key Terms

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.

*(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)*

## **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 Mathira Constituency's day-to-day management is under the following key organs:

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

#### Fiduciary Management

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

No	Designation	Name
1.	AIE holder	ELEANOR MUTHONI
2.	National Sub-County Accountant	EVANS ELOLO MUGWANG'A
3.	Acting Chairman NGCDFC	PETER WANDERI MUCHOKI
4.	Member NGCDFC	IRENE NJOKI MAINA

#### (c) Fiduciary Oversight Arrangements

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

MATHIRA NG-CDF Building  
Next to DCC Office,  
Karatina Town, Nyeri-KENYA.

**(e) NGCDF Mathira Constituency Contacts**

P.O. Box 806-10101  
Telephone: (254) 768553412  
E-mail: [cdmathira@ng-cdf.go.ke](mailto:cdmathira@ng-cdf.go.ke)  
Website: [www.mathira.ng-cdf.go.ke](http://www.mathira.ng-cdf.go.ke)

**(f) NGCDF Mathira Constituency Bankers**

1. Bank A. (Operations Account). *Cooperative Bank.*  
Karatina Branch, Mathira NG-CDF Account No. 01120059658500  
P.O. Box 931.
2. Bank B. (Deposit account). *Cooperative Bank, Account No. 011200596585001.*  
Branch  
P.O. Box 931.

**(g) Independent Auditor**

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

**(h) Principal Legal Adviser**

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

3. NGCDF Committee

Name	Details
	<p>Member 1: PETER WANDERI MUCHOKI                      Male Youth Representative since 16<sup>th</sup> December 2022                      A holder of Bachelor of Commerce Finance Option and a Certified Public Accountant (CPA K).</p>
	<p>Member 2: IRENE NJOKI MAINA                      Female Adult Representative                      Since 16<sup>th</sup> December, 2022                      A holder of Diploma in Theology.</p>
	<p>Member 3: ANTHONY MURIITHI KIAMA                      Male Youth Representative                      Since 16<sup>th</sup> December, 2022.                      A holder of Diploma in Cooperative Management</p>
	<p>Member 4 : MARTHA WANJIRU MACHARIA                      Female Youth Representative                      Since 16<sup>th</sup> December, 2022</p>
	<p>Member 5: MERCY MUMBI GITHUI                      Representative of Persons Living With Disability                      Since 16<sup>th</sup> December, 2022</p>
	<p>Member 6: PETER MWANGI GACHAU                      Nominee of the Constituency Office since 16<sup>th</sup> December, 2022</p>



Member 7: IRENE NYAMBURA MWANGI  
Nominee of the Constituency Office since 19<sup>th</sup> December, 2022.  
A holder of Certificate in Kasneb ATC Level Secretarial and computerized accounting.



ELEANOR MUTHONI  
Fund Account Manager, Mathira Constituency.  
Ex-Official Member

4. NG-CDFC Chairman's Report



PETER WANDERI MUCHOKI- Acting Chairman, NGCDFC Mathira Constituency.

The Mathira NG-CDF committee is pleased to present the financial report for the current financial year ending 30<sup>th</sup> June 2025. The approved allocation for FY 2024/2025 stood at KES 188,414,052, with a final budget of KES 324,890,097 and an actual expenditure of KES 252,976,045, representing a 78% fund utilization rate. The performance across projects was mixed, with high-priority areas recording steady progress and notable utilization of funds. Notable projects implemented during the period include Karatina DEB Primary School, Karatina Urban Primary School, Ngunguru Secondary School, Kianjogu Secondary School and Gathehu Chief's Office. However, some projects experienced delays arising from delays in disbursement of funds and procurement processes.

	Original Budget	Final Budget	Actual on comparable basis	Budget utilization difference
<b>Revenue</b>				
Transfers From the NGCDF Board	188,414,052	324,890,096	252,976,045	71,914,052
<b>Expenses</b>				
Employee costs	4,929,100	7,926,416	3,867,970	4,058,446
Committee expenses	3,308,964	4,207,781	2,637,760	1,570,021
Use of Goods and Services	6,804,153	10,409,813	3,340,863	7,068,950
Other Government Units Certified Works	52,899,686	144,477,526	59,497,440	84,980,086
Other Grants and Transfers	113,482,149	133,097,762	58,190,292	74,907,470
Digital Hubs Expenses	5,500,000	11,000,000	-	11,000,000
Others-Strategic Plan		140,000	-	140,000
Funds Pending Approval**	-	13,630,804	-	13,630,804
<b>Total</b>	<b>188,414,052</b>	<b>324,890,096</b>	<b>127,534,325</b>	<b>197,355,771</b>

Table 1: Budget Performance FY 2024-2025

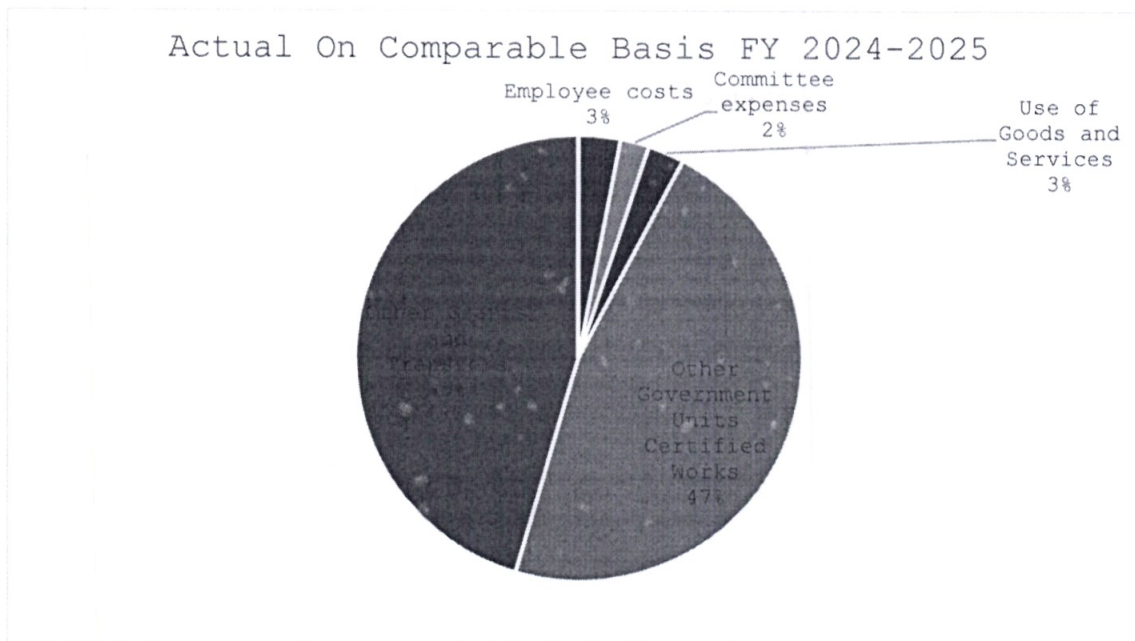


Fig. 1: Financial Performance FY 2024-2025

Despite these challenges, Mathira NG-CDF successfully advanced key strategic projects and maintained improved absorption levels in critical service areas. The committee strengthened financial controls, commitment management practices and reporting processes, with regular production of budget execution to ensure adequate safeguards to public resources. This led to enhanced transparency and accountability. However, the implementation of various projects was not without difficulties. The delays in disbursement from the board disrupted work plans and in some cases, slowed the delivery of services. To address these, the committee and the management has continued to engage the board on timely disbursement.

Mathira NG-CDF remains committed to prudent financial management, timely delivery of projects and transparent reporting to stakeholders. Going forward, the committee will continue to oversee and support measures aimed at improving absorption, ensuring accountability and delivering value to the public.

  
 Name  
 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 Mathira Constituency 2021-2025* plan are to:

- 1. Enhance access to education*
- 2. Enhance access to security and administrative services*
- 3. To empower youth to participate and contribute to the socio-economic development*
- 4. To enhance capacity for climate change adaptation and mitigation*
- 5. Improve access to information*

**Progress on the attainment of Strategic development objectives**

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

<b>Sector</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions</i> <i>number of bursary’s beneficiaries at all levels</i>	<i>In FY 2024/25 - we increased number of usable primary school classrooms by 14. There was construction of additional 8 classrooms at DEB Karatina Primary, and renovations and cabro laying to other 13 institutions.</i> <i>- Bursary beneficiaries at all secondary school level 9100 students, and 4000 students at tertiary level.</i>
Security	To enhance access to security and	A safer environment, quicker access to police and	Number of functional security and administrative facilities	Ongoing construction of Gathehu Chief’s Office and Konyu

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

	administrative services.	administrative support, and greater trust between citizens and government institutions.	constructed, e.g police posts and chiefs' office.	Chief's office. Allocation of funds for construction and renovation of three additional chief's offices and two police stations as per attached budget execution documents.
Climate change mitigation activities	To enhance capacity for climate change adaptation and mitigation	Increased resilience through adoption of sustainable practices that reduce vulnerability to climate change impacts.	Number of learning institutions implementing climate-smart adaptation and mitigation measures e.g tree planting and clean energy use.	Allocation of funds to 29 learning institutions within the constituency for purchase and installation of one 300 litres energy saving jikos.
ICT and Youth Empowerment	To empower youth to participate and contribute to the socio-economic development	Improved engagement of youths in social and technological innovative programmes that can lead to improved socio-economic status.	Number of usable ICT hubs with internet connectivity.	The ICT hub project implementation is currently underway.

## 6. Governance Statement

### Appointment and Removal of NG-CDFC Members

The Mathira National Government Constituency Development Fund Committee (NG-CDFC) is constituted in accordance with the provisions of the NG-CDF Act, 2015. The seven persons referred to in subsection (2) (b), (c), (d) and (e) were selected in such manner and have such qualifications as the Board may, by regulations, prescribe. The names of the persons selected under subsection (3) were submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board, GAZETTE NOTICE NO. 15568 dated 19<sup>th</sup> December, 2022.

### List of NG CDFC's and the categories they represent

Name	Category
Peter Wanderi Muchoki	Male Youth Representative
Anthony Muriithi Kiama	Male Youth Representative
Martha Wanjiru Macharia	Female Youth Representative
Irene Njoki Maina	Female Adult Representative
Mercy Mumbi Githui	Representative of Persons Living With Disability
Peter Mwangi Gachau	Nominee of the Constituency Office (Male)
Irene Nyambura Mwangi	Nominee of the Constituency Office (Female)

Members of the NGCDFC are removed in accordance with the provisions of the NG-CDF Act, 2015, and relevant regulations. Grounds for removal include:

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

### Roles and Functions of the Committee

Mathira NG-CDF Committee comprises of ten members, five recruited by a Selection Panel constituted in accordance with section 5 (1) of the NG-CDF Act Regulations 2016, two nominated by the Constituency Office in accordance with section 43 (2) (e) of the NG-CDF Act 2015, one member co-opted by the NG-CDF Board in accordance with Regulations made by the Board as provided for in section 43 (2) (g) of the NG-CDF Act 2015, the national government official responsible for coordination of national government functions as provided for in section 43 (2) (a) of the NG-CDF Act 2015 and the officer of the Board seconded to the Constituency Committee by the Board who is an ex officio member without a vote as provided for in section 43 (2) (f) of the NG-CDF Act 2015.

The duties and responsibilities of the NG-CDF Committee entail:-

- i) To consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency.

- ii) To ensure that project proposals submitted to the NGCDF Board include detailed budget proposals, procurement plans and work plans.
- iii) To rank projects proposals in order of priority while ensuring that on-going projects take precedence.
- iv) To ensure that all projects receive adequate funding and are completed within three years.
- v) To consult with relevant government departments to ensure that cost estimates for projects are realistic.
- vi) 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.
- vii) To build the capacity of project management committees and sensitize the community on the operations of National Government Constituency Development Fund.
- viii) To ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board.
- ix) To monitor implementation of projects in accordance with the monitoring and evaluation framework prescribed by the NGCDF Board.
- x) To ensure that project reports are prepared and submitted to the NGCDF Board.
- xi) To ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.

**Induction and Training of Members**

Upon appointment, NGCDFC Members undergo a comprehensive induction program. This program equips Members with a thorough understanding of their roles, responsibilities, and ethical obligations. Training sessions are conducted regularly to keep Members updated on relevant laws, regulations, and best practices in governance, finance, and project management.

**Number of Meetings held**

The NG-CDFC held two NG-CDF regular meetings and several sub-committee meetings during the financial year to deliberate on NG-CDF matters, project progress, and financial issues. There were challenges associated with constitution and gazetment of new committee members after expiry of the current terms. However, the committee convened necessary meetings to address emerging issues and project needs. Mathira NG-CDF maintained detailed minutes of these meetings to ensure transparency and accountability.

**Schedule of Meetings & Committee Meetings**

S.N O	Name	Designation	10/12/2024	30/10/2024
1	Peter Wanderi Muchoki	Acting Chariman	✓	✓
2	Irene Njoki Maina	Ng-Cdf Secretary	✓	✓
3	Martha Wanjiru Macharia	Member	✓	✓
4	Irene Nyambura Mwangi	Member	✓	×
5	Peter Mwangi Gachau	Member	✓	✓
6	Antony Muriithi Kiama	Member	×	✓
7	Mercy Mumbi Githui	Member	✓	✓

#### **Tenure of office**

The tenure of the current committee members is set to expire in November 2024, following the successful completion of their two-year contract.

#### **Disclosure Policy on Conflict of Interest**

The NG-CDFC is committed to maintaining the highest standards of integrity and transparency. To address potential conflicts of interest, Members are required to disclose any personal, financial, or professional interests that may conflict with their responsibilities as NG-CDFC Members. In cases of conflicts, Members are expected to recuse themselves from relevant discussions and decisions, and these conflicts are duly recorded in the minutes of the meetings.

#### **Members' Remuneration**

NG-CDFC Members serve the constituency on a voluntary basis and do not receive monthly salaries. However, they receive sitting allowances when they attend committee meetings. This ensures that their decisions and actions are guided solely by the best interests of the constituency and not influenced by personal gain.

#### **Ethics and Conduct**

The NG-CDFC is guided by a strict code of ethics and conduct that includes principles such as integrity, accountability, transparency, and professionalism. Members are expected to adhere to these principles in all their dealings related to NG-CDF matters.

#### **Risk Management**

The NG-CDFC recognizes the importance of risk management in the prudent utilization of NG-CDF funds. The Committee, in collaboration with relevant stakeholders, assesses and mitigates risks associated with project implementation, financial management, and governance. Regular risk assessments are conducted to identify potential threats and develop strategies to address them.

This governance statement reflects our commitment to ensuring responsible and effective governance of the Mathira NG-CDF. It provides transparency and accountability to the constituents we serve and upholds the principles of good governance in all our activities.

## 7. Management Discussion and Analysis

### Overview

The Mathira National Government-Constituencies Development Fund (NG-CDF) finances grassroots development projects in line with the NG-CDF Act, 2015. The fund has consistently prioritized education, security, social infrastructure, ICT and climate change mitigation projects while adhering to the public finance and audit requirements.

### Five-Year Operational and Financial Performance

Over the last five years, national policy, disbursement from the board timing, and macroeconomic conditions have influenced receipts and project delivery. Over the period under review, the Fund received total allocations of KSh 798.7 million, ranging from KSh 137.3 million in 2020/21 to KSh 188.4 million in 2024/25. Utilization followed the NG-CDF Board's policy framework:

- Administration (6%): averaging KSh 8.2 million annually, ensuring proper governance, office operations, and oversight of funded projects.
- Monitoring, Evaluation & Capacity Building (3%): averaging KSh 4.1 million annually, supporting training of Project Management Committees (PMCs), monitoring site visits, and compliance audits.
- Bursaries and Social Security (35–40%): approximately KSh 300 million over the five years, making this the single largest component. This funding enabled thousands of students in secondary, tertiary, and university institutions to access or continue education, easing the burden on households.
- Emergency Reserve (5%): averaging KSh 7.9 million per year, deployed to urgent constituency needs such as disaster response, community safety, and unforeseen social risks.
- Climate Change Projects (5%): also averaging KSh 7.9 million annually, directed toward environmental conservation, afforestation, and water harvesting initiatives.
- Other Major Development Projects (40–45%), distributed among:
  - ✓ Secondary Schools (approximately 26% of total allocations): investment in new classrooms, laboratories, dormitories, and learning resources.
  - ✓ Primary Schools (approximately 9%): upgrading classrooms, sanitation facilities, and playgrounds.
  - ✓ ICT Hubs (approximately 4%): establishment and equipping of hubs to improve digital literacy and youth empowerment.

- ✓ Security Projects (approximately 4%): construction and rehabilitation of police posts and provision of security equipment.

This structured distribution has ensured a balanced approach between immediate social support and long-term infrastructure development.

### **Compliance with Statutory Requirements**

The Fund has complied with statutory provisions, including:

- Administration expenditure capped at 6% of annual allocations.
- Bursary allocation maintained above the statutory floor of 25% of total funds.
- Annual financial statements prepared in compliance with IPSAS (Cash Basis) and submitted for audit by the Auditor-General.

Instances of audit queries on PMC bank balances and project documentation have been addressed through strengthened monitoring, training, and reconciliations.

### **Major Risks**

The key risks facing the Fund include:

- Unpredictable cash disbursements from the Exchequer, which sometimes delay project implementation.
- Procurement and compliance risks, especially around PMC account management and contract execution.
- Macroeconomic challenges, particularly inflation and exchange rate fluctuations, which affect project costs.
- Environmental risks, such as droughts or heavy rains, which disrupt construction schedules and climate projects.

Mitigation measures include phased contracting, close monitoring of PMCs, and enhanced financial controls.

### **Material Arrears in Statutory and Other Obligations**

As of the reporting period, no material arrears in statutory deductions or financial obligations were reported. However, historical issues with unclosed PMC accounts have been progressively addressed, and balances are being reconciled in compliance with the NG-CDF Act.

## Review of the Economy

Kenya's GDP expanded by 4.7% in 2024 with easing inflation (averaging 3–4% in late 2024/early 2025). While the macroeconomic environment is stabilizing, rising costs of construction materials and currency pressures continue to pose challenges for project implementation.

## Review of the Sector

In the education sector, which consumes the majority of the Fund's resources, Mathira NG-CDF has financed both bursaries and physical infrastructure, directly improving access and quality of learning. Investments in ICT hubs align with national goals on digital literacy, while climate change projects reflect government policy on environmental sustainability. Security investments complement national policing efforts, enhancing community safety.

## Future Developments

- Looking ahead, the Fund will prioritize:
- Completion of ongoing school infrastructure and ICT projects.
- Sustained bursary funding to safeguard access for needy students.
- Expansion of climate resilience projects, including tree planting and water harvesting.
- Strengthened financial oversight, particularly around PMC accounts and project close-outs.
- Greater transparency through timely publication of allocations, disbursements, and project progress.

.....  
Name ELEANOR MUTHONI  
Fund Account Manager



## 8. Environmental and Sustainability Reporting

The Mathira Constituency NG-CDF operates under the mandate of the NG-CDF Act, 2015, which seeks to promote equitable and sustainable development at the grassroots level through financing of education, infrastructure, security, and social welfare projects. In pursuing this mandate, the Fund adopts a sustainability strategy that emphasizes prudent financial management, responsible use of resources, and investments that create long-term value for the community. Sustainability, in this context, is the Fund's ability to consistently deliver essential services and development interventions to citizens over the long term, while integrating environmental stewardship, social inclusivity, and good governance practices into all its operations.

### 1. Sustainability strategy and profile –

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

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

## **2. Environmental performance**

Mathira NG-CDF is guided by the National Environmental Policy (2013), the Climate Change Act (2016), and NG-CDF Regulations that require 5% of annual allocations to climate change projects. This policy framework directs the constituency to integrate environmental sustainability into all funded activities, including education, infrastructure, and social welfare projects.

Over the reporting period, the Fund has achieved notable successes in environmental conservation through tree planting, water harvesting, and afforestation programs. Bursary-supported students participate in at least one tree-planting exercise per academic calendar year, strengthening awareness and ownership of conservation efforts. However, shortcomings remain, mainly the limited financial resources restricted to 5% of allocations and challenges in monitoring the long-term survival of planted trees.

To manage biodiversity and waste, project management committees (PMCs) ensure tree planting accompanies school infrastructure projects, and construction waste is disposed of responsibly following existing guidelines. Additionally, the Fund promotes the use of energy-efficient construction methods and locally available materials to minimize its environmental footprint.

Beyond environmental initiatives, the Fund supports youth and community sensitization forums on the dangers of drug and substance abuse, reinforcing the link between a healthy population and sustainable development. In parallel, the Fund has invested in security projects, including the construction and rehabilitation of police stations and posts, which enhance community safety and create a stable environment for education, economic activity, and environmental programs to thrive.

## **3. Employee welfare**

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

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

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

#### **4. Marketplace practices-**

Mathira Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

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

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

##### **Public Participation in Project Identification, Implementation, and Monitoring**

Mathira Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.


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

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

#### **Public Awareness**

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

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

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

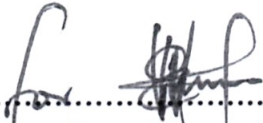
The Accounting Officer in charge of the NGCDF Mathira Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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- Mathira Constituency financial statements were approved and signed by the Accounting Officer on 22<sup>nd</sup> August 2025.

  
.....  
Name: Peter Wanderi Muchoki  
Acting Chairman – NGCDF Committee

  
.....  
Name: Eleanor Muthoni  
Fund Account Manager



# REPUBLIC OF KENYA

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NAIROBI

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mathira Constituency set out on pages 1 to 47, which

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

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, statement of comparison of budget and actual amounts, and budget execution by sectors and projects 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. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Mathira 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 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Accuracy and Presentation of Financial Statements**

Review of the annual report and financial statements revealed the following anomalies;

- i. The NG-CDFC Chairperson's report in page x indicated that the actual value of other government units certified works was Kshs.59,497,440 whereas the statement of comparison of budget and actual amounts reflects Kshs.59,958,613 resulting in an unexplained variance of Kshs.461,173.
- ii. The statement of financial position under the column of opening statement as at 1 July, 2024 reflects Kshs.76,865,316 in respect of cash and cash equivalents which includes Kshs.71,420,697 in respect of PMC bank balances. However, the previous audited financial statements reflect Kshs.42,496,662 resulting in unreconciled variance of Kshs.28,924,035.
- iii. The statement of changes in net assets reflects Kshs.135,727,697 in respect to net assets as at July 1, 2024 represented by the following;

<b>Item</b>	<b>Amount (Kshs)</b>
Accumulated Surplus as at 30 June, 2024	4,695,033
<b>Add</b>	
PMC Bank Balances	71,420,697
Disbursement owing from the Board	59,611,967
Prepayments	
<b>Total Assets</b>	<b>135,727,697</b>

However, from the previous audited financial statements, the amount of PMC bank balances as at 30 June, 2024 was Kshs.42,496,662 as disclosed in Note 19.4 to the previous year's audited financial statements and not Kshs.71,420,697 resulting in unreconciled variance of Kshs.28,924,035.

- i The statement of cashflows reflects Kshs.48,116,469 as net cash flows from operating activities and refers to Note 31. However, the Note is about financial risk management.
- ii The statement of cashflows reflects Kshs.76,865,316 in respect to cash and cash equivalents at the period start and refers to Note 17. However, the Note has a Nil balance and is in respect to gain/loss on sale of assets.

In the circumstances, the accuracy, validity and completeness of the financial statements could not be confirmed.

## **2. Variances Between the Financial Statements and Ledger**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects Kshs.59,958,613 in respect of expenditure to other government units which includes Kshs.11,999,608 and Kshs.47,958,717 as payments to primary schools and secondary schools respectively both totalling to Kshs.59,958,325. However, review of the respective ledgers revealed Kshs.17,475,523 and Kshs.32,236,967 for primary schools and secondary schools respectively both totalling to Kshs.49,712,499 resulting in unexplained variance of Kshs.10,245,826.

In the circumstances, the accuracy and completeness of the expenditure amount of Kshs.59,958,325 could not be confirmed.

## **3. Unsupported Payments - Fuel, Oil and Lubricants**

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects Kshs.3,264,688 in respect to use of goods and services which includes Kshs.1,800,000 paid to a firm for supply of fuel, oil and lubricants. However, Management did not provide procurement documents including advertisements, request for quotations, quotation opening and evaluation minutes, professional opinion, notification of award of tender and the contract agreement between the Fund and the Supplier.

In the circumstances, the accuracy, validity, regularity and completeness of the Kshs.1,800,000 amount for the supply of fuel, oil and lubricants could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflect a final budgeted receipts and actual amounts on comparison basis of Kshs.324,891,335 and Kshs.252,977,283 respectively, resulting to a receipts shortfall of Kshs.71,914,052 or 22% of the budget. Similarly, out of the actual receipts of Kshs.252,977,283, the Fund made payments totalling Kshs.127,995,498 resulting in under-absorption of Kshs.124,981,785 or 49% of total receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

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

In the prior years' audit reports, several 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 Controls, Risk Management and Governance, respectively. However, review of the status during the audit of the Fund in the financial year 2024/2025 revealed that the following matters remained unresolved as shown in the **Appendix**.

### **Other Information**

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

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Meet the Mandatory Constituency Committee Meetings**

Records available including Committee minutes and attendance registers revealed that the Mathira Constituency Development Fund Committee held only two meetings during the year. This is contrary to Section 43 (11) of the National Government Constituencies Development Fund Act, 2015 which states that the Constituency Committee shall meet at least six times in a year.

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

#### **2. Occupancy of Office by Committee Members Beyond the Expiry of their Official Term**

Review of the gazette notice in respect to gazettement of the National Government Constituency Development Committee for Mathira Constituency revealed that the term for the existing 7 (seven) Committee Members was to run for two (2) years from 16<sup>th</sup> December 2022 up to 15<sup>th</sup> December 2024. However, the Members have continued to serve in the Committee despite of the expiry of their term. In addition, records provided for audit revealed that the Committee authorized expenditure totalling to Kshs.40,751,494 though their term had expired. This is contrary to Section 12(5) of the National Constituencies Development Fund Act, 2015.

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

#### **3. Non-Compliance With Requirements of Integration of Persons with Disabilities**

Management did not provide evidence of integration and inclusion of persons with disabilities in its workforce. Therefore, the Fund has not fully complied with the provisions of Section B 23(2) of the Human Resource Policies and Procedures Manual for the Public Service 2016 and the Persons with Disabilities Act, 2025 which requires that that at least 5% of employment positions in public institutions be filled by persons with disabilities.

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

#### **4. Delayed Implementation of Planned Projects**

During the financial year under review, the Fund planned to implement fifty-nine (59) projects valued at Kshs.188,414,032. However, as at 30 June, 2025, fifty-seven (57) projects valued at Kshs.89,116,215 had not started. In addition, two (2) projects worth Kshs.13,050,000 and four (4) projects valued at Kshs.45,870,331 in respect to the previous financial year were ongoing and not started respectively.

In the circumstances, the delay in implementation of projects may have denied the public the much-needed facilities and services.

#### **5. Construction of Two Classrooms at Karatina Urban Primary School**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects Kshs.59,958,613 in respect to expenditure to other government units. Included is Kshs.11,999,608 expenditure to primary schools, which further includes an amount of Kshs.3,100,000 transferred to Karatina Primary School for construction of two class rooms. The Project Management Committee awarded tender to a firm to supply assorted construction materials at a contract sum of Kshs.2,067,551. However, Management did not provide records to confirm whether the materials were delivered, inspected to confirm quantity and quality against orders, and taken on charge and utilized towards the project.

Further, a site visit in the month of September, 2025 revealed that the project was not complete, no works were ongoing but the partially done classes were already in use by the School raising safety concerns for the learners.

In the circumstances, the public may not get value for money for Kshs.3,100,000 spent on the project.

#### **6. Lack of Value for Money for Environmental Projects Undertaken**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects Kshs.58,190,292 in respect to other grants and transfers which includes Kshs.3,509,592 spent on climate change mitigation projects. The amount was utilized to procure and deliver three hundred (300) Avocado tree seedlings to select schools for planting. However, Management did not provide the basis for selection of the beneficiary schools. There was also no evidence that any feasibility survey was conducted to determine availability of land and suitability for the crop.

In addition, a visit to sampled schools including Ichuga Primary School and Kirigu Primary School revealed that only less than 10% of the three hundred (300) seedlings distributed to each of the schools could be traced. Given the low rate of success, it was not possible to confirm whether the schools received the said number of seedlings, and Management did not account for an average of 90% of trees distributed.

In the circumstances, the public may not have obtained value for money from the expenditure amount of Kshs.3,509,592 incurred on the avocado tree seedlings.

## **7. Payment of Allowances to Non-Fund Committee Members**

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects Kshs.2,637,760 in respect to Committee expenses which includes Kshs.654,000 in respect to sitting allowance which further includes Kshs.70,000 paid to two individuals as committee sitting allowances whereas they were not members of the Constituency Development Fund Committee.

In the circumstances, the public did not get value for money for the sitting allowance expenditure amount of Kshs.70,000 paid to non-committee members.

## **8. Construction of Administration Block at Ihwagi Secondary School**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects Kshs.59,958,613 in respect to expenditure to other government units. This includes Kshs.47,958,717 for secondary schools which further includes an amount of Kshs.8,100,000 for construction of administration block at Ihwagi Secondary School. However, records provided revealed that a professional opinion in respect to the award of tender was issued 16 October, 2024 whereas a notification of award to the successful bidder was issued on 11 October, 2024. It was not clear why the accounting officer awarded tender before a professional opinion contrary to Regulation 79(1) of the Public Procurement and Asset Disposal Regulations, 2020. In addition, Management did not provide score sheets prepared by Evaluation Committee Members during tender evaluation contrary to Regulation 31(1) of the Public Procurement and Asset Disposal Regulations, 2020.

Further, a visit to the School in the month of June, 2025 revealed that the project was incomplete and stalled whereas the contractor had been paid the entire contract sum. In addition, there was no retention money withheld from the payments made to the contractor.

In the circumstances, the Fund may have made payments for works not done and the public may not obtain value for money from the stalled project. In addition, the Management was in breach of the law.

## **9. Renovation Works at Kianjogu Secondary School**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects Kshs.59,958,613 in respect to expenditure to other government units which includes Kshs.47,958,717 for secondary schools which further includes an amount of Kshs.4,800,000 for renovation works at Kianjogu Secondary School. The works was for renovation of eight classrooms, two laboratories, administration block and a Boardroom. Management contracted several firms to supply materials on a labour-based contract. However, there were no appointment letters for the tender opening and evaluation committee members contrary to Section 78. (1) of the Public Procurement and Asset Disposal Act, 2015. In addition, Management did not provide contract agreements for the supply and delivery of assorted construction materials, signed by both parties as required under Section 135 (3) of the Public Procurement and Asset Disposal Act, 2015.

Further, a Local Purchase Order (LPO) of Kshs.892,500 was issued to a firm on 25 March, 2025 whereas the respective payment was done through a cheque drawn on 06 March, 2025. Management did not provide any explanation on why the payment was made before the LPO was issued to the supplier.

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

#### **10. Completion of Six (6) Classrooms at Ngunguru Secondary School**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects Kshs.59,958,613 in respect to expenditure to other government units which includes Kshs.47,958,717 for secondary schools which further includes an amount of Kshs.7,056,158 paid to a firm for completion of 6 classrooms at Ngunguru Secondary School. However, Management used Request for Quotation (RFQ) method of procurement for the works valued at Kshs.7,056,158 contrary to the second schedule of the Public Procurement and Asset Disposal Regulations, 2020 that sets the maximum threshold for use of RFQ in works at Kshs.5,000,000. In addition, Management did not provide Bills of Quantities to confirm the scope of works tendered.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Ineffectiveness in the Management of Bursaries**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects Kshs.58,190,292 in respect to other grants and transfers which includes Kshs.46,270,619 and Kshs.5,810,131 as bursary for secondary schools and tertiary institutions respectively both totalling to Kshs.52,080,750. However, Management did not provide evidence of applications and vetting of bursary beneficiaries' contrary to Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016. Further, Management did not provide any documented bursary policy

guidelines, procedures and eligibility criteria used in vetting applicants and identification of beneficiaries.

In addition, bursary payments of Kshs.295,000 and Kshs.122,750 both totalling to Kshs.417,750 were not supported by a list of beneficiaries, payment approval minutes of the Constituency Committee and acknowledgements from the respective recipient institutions.

In the circumstances, the effectiveness of internal controls and oversight mechanisms governing the bursary allocation process could not be confirmed.

## **2. Failure to Provide Internal Audit Reports**

Management did not provide for audit review any internal audit reports in respect to the Fund for the period under audit. This is contrary to Section 73 (1) of the Public Finance Management Act which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board;

In the circumstances, risks may not be identified, assessed, or mitigated effectively, exposing the Fund to operational, financial, and reputational damage.

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

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

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2025.

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**21 November, 2025**

## Appendix - Unresolved Prior Year Matters

	Financial Year	Audit Issue
1	2023/2024	Inaccuracies on the presentation and disclosures in the financial statements
2	2023/2024	Inaccuracies on the summary statement of appropriation
3	2023/2024	Inaccuracies on the budget execution by sectors and projects
4	2023/2024	Compensation of employees
	2023/2024	4.1 Un-explained variances
	2023/2024	4.2 Lack of contracts for interns' staff
	2023/2024	4.3 Lack of contracts for NGCDF employees
5	2023/2024	Misclassification of committee expenses
6	2023/2024	Payment for Use of goods and services
	2023/2024	6.1 Unvouched payments
	2023/2024	6.2 Unsupported expenditure
	2023/2024	6.3 Unverified expenditure
7	2023/2024	Other grants and transfers
	2023/2024	7.1 Payments for sports projects
	2023/2024	7.1.1 Irregularities in procurement of sports projects
	2023/2024	7.1.2 Irregular payment of sports project allowances
	2023/2024	7.1.3 Unsupported payments for constituency football tournament sports activities
	2023/2024	7.2 Payments for Bursary
	2023/2024	7.2.1 Unsupported bursary payments
	2023/2024	7.2.2 Misstatement of bursary payments
8	2023/2024	Unsupported payments
9	2023/2024	Bank and PMC balances
	2023/2024	9.1 Long outstanding unrepresented cheques
	2023/2024	9.2 Unsupported PMC bank balances
10	2023/2024	Budgetary control and performance
<b>Report on Lawfulness and Effectiveness in the Use of Public Resources</b>		
1	2023/2024	Non- Compliance with NG-CDF Act, 2015
2	2023/2024	Review of project contract Management and implementation
	2023/2024	2.1 Delay in implementation and management of contracts
	2023/2024	2.2 Anomalies noted during projects verification
	2023/2024	2.3 Unsupported procurement contracts
3	2023/2024	Projects under other grants and transfers
	2023/2024	3.1 Ineffective implementation of environmental projects
	2023/2024	3.2 failure to implement security projects
<b>Report on the Effectiveness of Internal Controls, Risk Management and Governance</b>		
1	2023/2024	Ineffective Management of Bursaries
	2023/2024	1.1 Lack of bursary policy
	2023/2024	1.2 Lack of vetting of bursary beneficiaries
	2023/2024	1.3 Inconsistencies in the award of bursaries

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

**Mathira Constituency**

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

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

	Note	Period ended June 2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	188,414,052
Grants/donations from other entities	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>188,414,052</b>
<b>Expenses</b>		
Employee costs	10	4,651,846
Committee expenses	11	2,637,760
Use of Goods and Services	12	3,264,688
Other Government Units Actual expenditure	13	59,958,613
Other Grants and Transfers Actual expenditure	14	58,190,292
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
<b>Total expenses</b>		<b>128,703,199</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>59,710,853</b>

The Constituency financial statements were approved by the NGCDFC on 22<sup>nd</sup> August 2025 and signed by:



Acting Chairmah NG-CDF  
Committee  
Name: Peter Wanderi



National Sub-County  
Accountant  
Name: Evans Mugwang'a  
ICPAK M/No: NAC58839



Fund Account Manager  
Name: Eleanor Muthoni



**National Government Constituencies Development Fund (NGCDF)**  
**Mathira 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 as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	124,981,786	76,865,316
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	71,914,052	59,611,967
Prepayments	22	76,175	-
<b>Total Current Assets</b>		<b>196,972,013</b>	<b>136,477,283</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>196,972,013</b>	<b>136,477,283</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,533,462	749,586
<b>Total Current Liabilities</b>		<b>1,533,462</b>	<b>749,586</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>1,533,462</b>	<b>749,586</b>
<b>Net Assets (A-B)</b>		<b>195,438,551</b>	<b>135,727,697</b>
<b>Represented by:</b>			
Revaluation Reserves		195,438,551	135,727,697
Accumulated Surplus			
<b>Total Net Assets</b>		<b>195,438,551</b>	<b>135,727,697</b>

The Constituency financial statements set out on pages 2 to 5 approved by NG CDFC on 22 August 2025 and signed by:

Acting Chairman NG-CDF Committee  
 Name: Peter Wanderi

National Sub-County Accountant  
 Name: Evans Mugwang'a  
 ICPAK M/No: NAC58839

Fund Account Manager  
 Name: Eleanor Murhoni



*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	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June 2024 (cash basis)	4,695,033		4,695,033
Adjustments: (to recognize assets and liabilities)			
Add Assets	131,032,664		131,032,664
Less Liabilities	-		-
As at July 1, 2024	135,727,697		135,727,697
Surplus/(Deficit) For the Period	59,710,853		59,710,853
Revaluation Gain/Loss	-	-	-
As at 30 <sup>th</sup> June (current year)	195,438,551	-	195,438,551

Note:

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

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

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

	Notes	Period ended June Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		176,111,967
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>176,111,967</b>
<b>Payments</b>		
Employee costs		3,867,970
Committee expenses		2,637,760
Use of Goods and Services		3,340,863
Other Government Units Certified Works		59,958,613
Other Grants and Transfers		58,190,292
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>127,995,498</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	31	<b>48,116,469</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>48,116,469</b>
<b>Cash Flows from Financing Activities</b>		
Lease payment		
<b>Net Cash Flows from Financing Activities</b>		<b>48,116,469</b>
Cash and cash equivalents at Period Start	17	76,865,316
Cash and cash equivalents at Period End	17	124,981,786

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	FY 2024-2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2024-2025	FY 2024-2025		
<b>Revenue</b>							
Transfers From the NGCDF Board	188,414,052	76,865,316	59,611,967	324,891,335	252,977,283	71,914,052	78%
Grants/donations from other entities	-	-	-	-	-	-	#DIV/0!
Finance income	-	-	-	-	-	-	#DIV/0!
Miscellaneous income	-	-	-	-	-	-	#DIV/0!
<b>Totals</b>	<b>188,414,052</b>	<b>76,865,316</b>	<b>59,611,967</b>	<b>324,891,335</b>	<b>252,977,283</b>	<b>71,914,052</b>	<b>78%</b>
<b>Expenses</b>							#DIV/0!
Employee costs	4,929,100	2,997,316	-	7,926,416	3,867,970	4,058,446	49%
Committee expenses	3,308,964	898,811	-	4,207,775	2,637,760	1,570,015	63%
Use of Goods and Services	8,294,153	1,416,707	698,953	10,409,813	3,340,863	7,068,950	32%
Other Government Units Certified Works	52,899,686	67,557,111	24,021,967	144,478,764	59,958,613	84,520,151	41%
Other Grants and Transfers	113,482,149	3,724,566	15,891,047	133,097,762	58,190,292	74,907,470	44%
Other Payment	5,500,000	-	5,500,000	11,000,000	-	11,000,000	0%
Acquisition of Asset	-	140,000	-	140,000	-	140,000	
Funds Pending Approval**	-	130,804	13,500,000	13,630,804	-	13,630,804	0%
<b>Total Expenditure</b>	<b>188,414,052</b>	<b>76,865,315</b>	<b>59,611,967</b>	<b>324,891,334</b>	<b>127,995,498</b>	<b>196,895,836</b>	<b>39%</b>
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.**

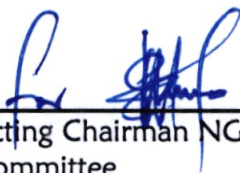
**Explanatory Notes.**


The noted underutilization of funds associated with late disbursement of funds from the Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	196,895,836
Less undisbursed funds receivable from the Board as at period 30th June, 2025	71,914,052
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	124,981,784

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 22<sup>nd</sup> August 2025 and signed by:

  
 \_\_\_\_\_  
 Acting Chairman NG-CDF  
 Committee  
 Name: Peter Wanderi  
 Muchoki

  
 \_\_\_\_\_  
 National Sub-County  
 Accountant  
 Name: Evans Mugwang'a  
 ICPAK M/No:NAC58839

  
 \_\_\_\_\_  
 Fund Accountant  
 Name: Eleanor Muthoni



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

**Mathira Constituency**

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,929,100	2,997,316		7,926,416	3,867,970	4,058,446
1.2 Committee allowances	1,389,000			1,389,000	1,240,700	148,300
1.3 Use of goods and services	4,690,220		698,953	5,389,173	2,589,275	2,799,898
<b>Sub-total</b>	<b>11,008,320</b>	<b>2,997,316</b>	<b>698,953</b>	<b>14,704,589</b>	<b>7,697,945</b>	<b>7,006,644</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,490,000	750,000		2,240,000		2,240,000
2.2 Committee allowances	1,919,964	898,811		2,818,775	1,397,060	1,421,715
2.3 Use of goods and services	2,113,933	666,701		2,780,634	751,588	2,029,046
2.4 Constituency oversight committee	-	6		6	-	6
<b>Sub-total</b>	<b>5,523,897</b>	<b>2,315,518</b>	<b>-</b>	<b>7,839,415</b>	<b>2,148,648</b>	<b>5,690,767</b>
<b>4.0 Emergency</b>						
unutilized	9,916,529		9,691,047	19,607,576	3,270,619	16,336,957
<b>Sub-total</b>	<b>9,916,529</b>	<b>-</b>	<b>9,691,047</b>	<b>19,607,576</b>	<b>3,270,619</b>	<b>16,336,957</b>
<b>5.0 Bursary and Social Security</b>						
5.1 Primary Schools	-			-		-
5.2 Secondary Schools	43,000,000			43,000,000	43,000,000	-
5.3 Tertiary Institutions	10,000,000	(139,020)		9,860,980	5,810,131	4,050,849
5.4 special needs	500,000			500,000		500,000
5.5 Vocational Training Institution	21,865,620			21,865,620		21,865,620
5.6 Social Security				-		-
<b>Sub-total</b>	<b>75,365,620</b>	<b>(139,020)</b>	<b>-</b>	<b>75,226,600</b>	<b>48,810,131</b>	<b>26,416,469</b>
<b>7.0 Environment</b>						
Tumutumu Mixed Secondary School	300,000	200,000		500,000	195,000	305,000
Gaturiri Secondary School	300,000			300,000		300,000
Iruri Secondary School	300,000			300,000		300,000
Gakuyu Secondary School	300,000			300,000		300,000
Itundu Secondary School	300,000			300,000		300,000
Kangocho Secondary School	300,000	200,000		500,000	140,000	360,000
Gikumbo Secondary School	300,000			300,000		300,000
Miiri Secondary School	300,000	200,000		500,000	195,000	305,000
Ndimaini Secondary School	300,000			300,000		300,000
Muthea High School	300,000	202,150		502,150	197,092	305,058
Kianjogu Secondary School	300,000	200,000		500,000	195,000	305,000
Maganjo Secondary School	300,000			300,000		300,000
Kiamariga Secondary School	300,000	200,000		500,000	195,000	305,000
Gathehu Secondary School	300,000			300,000		300,000

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

**Mathira Constituency**

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

Kabiruini Girls Secondary School	300,000			300,000		300,000
Gitunduti Mixed Secondary School	300,000			300,000		300,000
Kanyama Secondary School	300,000			300,000		300,000
St Augustine Kieni Secondary School	300,000	200,000		500,000	195,000	305,000
Ngunguru Secondary School	300,000			300,000		300,000
General China Secondary School	300,000			300,000		300,000
Kiamabara Secondary School	300,000	200,000		500,000	195,000	305,000
Kiamwangi Secondary School	300,000			300,000		300,000
Gatundu Secondary School	300,000			300,000		300,000
Rititi Secondary School	300,000	200,000		500,000	195,000	305,000
Ragati Secondary School	300,000			300,000		300,000
Mathaithi Day Secondary School	300,000			300,000		300,000
Ngaini Secondary School	300,000			300,000		300,000
Karatina DEB Primary School	300,000			300,000		300,000
Karatina Urban Primary School	300,000			300,000		300,000
Ihwagi Primary School	300,000			300,000		300,000
Icuga Primary School		200,000		200,000	195,000	5,000
Kirigu Primary School		200,000		200,000	195,000	5,000
Ragati Primary School		200,000		200,000	195,000	5,000
Iruri Primary School		200,000		200,000	195,000	5,000
Ngorano Secondary School		200,000		200,000	195,000	5,000
Karura Primary School		200,000		200,000	195,000	5,000
Kanjuri Pprimary School		280,000		280,000	277,500	2,500
Ihwagi Secondary School		200,000		200,000	195,000	5,000
Gathugu Primary School		200,000		200,000	165,000	35,000
<b>Sub-total</b>	<b>9,000,000</b>	<b>3,682,150</b>	<b>-</b>	<b>12,682,150</b>	<b>3,509,592</b>	<b>9,172,558</b>
<b>8.0 Primary Schools Projects</b>						
Kanjuri Primary School	2,200,000	1,475		2,201,475		2,201,475
Ngorano Primary School	3,000,000	1,782		3,001,782		3,001,782
Gatina Primary School	1,500,000	-		1,500,000		1,500,000
Kieni Primary School	2,200,000			2,200,000		2,200,000
Kiangurwe Primary School	1,500,000			1,500,000		1,500,000
Gachuiro Primary School	1,500,000			1,500,000		1,500,000
Kiriko Primary School	1,500,000			1,500,000		1,500,000
Gathogorero Primary School		457,053		457,053		457,053
Kiamabara Primary School		252,298		252,298		252,298
Kianjogu Primary School		200,047		200,047	183,310	16,737
Karindundu Primary School		108,132		108,132		108,132
Kiangengi Primary School		102,393		102,393		102,393
Ihwagi Primary School		50,846		50,846		50,846
Magutu Primary School		36,975		36,975		36,975
Kiangoma Primary School		30,365		30,365		30,365
Wakamata Primary School		8,503		8,503		8,503
Gaturiri Primary School		4,904		4,904		4,904
Gatiko Primary School		3,927		3,927		3,927

**National Government Constituencies Development Fund (NGCDF)**  
**Mathira Constituency**  
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Kihuro Primary School		58,975		58,975		58,975
Kihuro Primary School		3,527		3,527		3,527
Kiamwangi Primary School		1,651		1,651		1,651
Gathaiti Primary School		794		794		794
Kiamigwi Primary School	4,200,000			4,200,000		4,200,000
Karura Primary School	1,500,000			1,500,000		1,500,000
Cieni Primary School	1,500,000			1,500,000		1,500,000
Karatina DEB Primary School	10,500,000	7,651,433		18,151,433	7,191,872	10,959,561
Kirigu Primary School	2,200,000	1,040		2,201,040		2,201,040
Tumutumu Primary School	2,180,000			2,180,000		2,180,000
Kahuru Primary School	1,700,000	170,742		1,870,742		1,870,742
Karatina Urban Primary School			3,100,000	3,100,000	3,095,451	4,549
Kianjeneni Primary School			1,530,000	1,530,000	1,528,975	1,025
<b>Sub-total</b>	<b>37,180,000</b>	<b>9,146,862</b>	<b>4,630,000</b>	<b>50,956,862</b>	<b>11,999,608</b>	<b>38,957,254</b>
<b>9.0 Secondary Schools Projects (List all the Projects)</b>						
Gathehu Secondary School	900,000			900,000		900,000
St. Augustine Kieni Secondary School		3,460		3,460	-	3,460
Ragati Secondary School		102,876		102,876		102,876
Ruthagati Secondary School		10,675	2,200,000	2,210,675	2,205,180	5,495
Ndimaini Secondary School		3,027,080		3,027,080	3,024,120	2,960
Gatundu Secondary School		4,400,175		4,400,175	4,232,942	167,233
Kiamwangi Secondary School		10,667		10,667		10,667
Hiriga Secondary School		41,800		41,800		41,800
Bishop Gatimu Ngandu Girls		144,855		144,855		144,855
Kabiruini Secondary School	700,000			700,000		700,000
Ngunguru Secondary School	2,300,000	7,171,975		9,471,975	6,351,057	3,120,918
Gaturiri Secondary School	1,400,000	4,804,603	1,405,330	7,609,933	5,047,308	2,562,625
Tumutumu Mixed Secondary School	4,200,000			4,200,000		4,200,000
Tumutumu Mixed Secondary School	3,000,000			3,000,000		3,000,000
Miiri Secondary School	3,219,686	57,924		3,277,610		3,277,610
Gikumbo Secondary School		288	4,323,637	4,323,925	4,323,325	600
Mathaiti Day Secondary School		9,292,025		9,292,025	5,768,232	3,523,793
Kianjogu Secondary School	-	775	4,800,000	4,800,775	4,800,775	-
Ngorano Secondary School		175	4,553,000	4,553,175	4,553,175	-
Ihwagi Secondary School		6,007,002	2,110,000	8,117,002	7,652,603	464,399
Kanyama Secondary School		9,975		9,975		9,975
Maganjo Secondary School		9,975		9,975		9,975
General China Secondary School		9,975		9,975		9,975
Gakuyu Secondary School		20,645		20,645		20,645
Iruri Secondary School		11,400		11,400		11,400
Itundu Secondary School		1305		1,305		1,305
				-		-
<b>Sub-total</b>	<b>15,719,686</b>	<b>35,139,630</b>	<b>19,391,967</b>	<b>70,251,283</b>	<b>47,958,717</b>	<b>22,292,566</b>
<b>10.0 Tertiary institutions Projects (List all the Projects)</b>						

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Mathira Youth Empowerment	-	23,270,619		23,270,619	288	23,270,331
				-		-
<b>Sub-total</b>	<b>-</b>	<b>23,270,619</b>	<b>-</b>	<b>23,270,619</b>	<b>288</b>	<b>23,270,331</b>
<b>11.0 Security Projects</b>						
Karura Chiefs Office	3,300,000			3,300,000		3,300,000
Huruma Assistant Chief's Office		99,785		99,785		99,785
Kiahia Assistant Chief's Office		38,565		38,565		38,565
Kabiruni Chiefs Office	3,600,000			3,600,000		3,600,000
Kiamabara Police Station	4,500,000			4,500,000		4,500,000
Muthua Chiefs Office	3,300,000			3,300,000		3,300,000
Kamunyaka Police Station	4,500,000			4,500,000		4,500,000
Gathehu Chiefs Office			2,600,000	2,600,000	2,599,950	50
Konyu Chiefs Office		28,527	3,600,000	3,628,527		3,628,527
Gatina Ass. Chief Office		8,920		8,920		8,920
Gatung'ang'a Chiefs Office		2,125		2,125		2,125
Ndunduini Ass. Chief's Office		3,514		3,514		3,514
<b>Sub-total</b>	<b>19,200,000</b>	<b>181,436</b>	<b>6,200,000</b>	<b>25,581,436</b>	<b>2,599,950</b>	<b>22,981,486</b>
<b>12.0 Acquisition of assets</b>						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13.0 Others</b>						
Mathira NG-CDF Strategic Plan	-	140,000	-	140,000		140,000
<b>Sub-total</b>	<b>-</b>	<b>140,000</b>	<b>-</b>	<b>140,000</b>	<b>-</b>	<b>140,000</b>
<b>ICT Hub Project</b>	<b>5,500,000</b>	<b>-</b>	<b>5,500,000</b>	<b>11,000,000</b>	<b>-</b>	<b>11,000,000</b>
<b>Sub-Total</b>	<b>5,500,000</b>	<b>-</b>	<b>5,500,000</b>	<b>11,000,000</b>	<b>-</b>	<b>11,000,000</b>
<b>Funds pending approval**</b>						
unapproved projects		-		-		-
Kirigu Primary School			8,500,000	8,500,000		8,500,000
Kirigu Primary School			3,650,000	3,650,000		3,650,000
Ruare Primary School			1,350,000	1,350,000		1,350,000
Ruthagati Primary School				-		-
				-		-
AiA	-			-		-
PMCs Savings		130,804		130,804		130,804
<b>Sub-total</b>	<b>-</b>	<b>130,804</b>	<b>13,500,000</b>	<b>13,630,804</b>	<b>-</b>	<b>13,630,804</b>
<b>Total</b>	<b>188,414,052</b>	<b>76,865,315</b>	<b>59,611,967</b>	<b>324,891,334</b>	<b>127,995,498</b>	<b>196,895,836</b>

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

## 17. Notes to the Financial Statements

### 1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Mathira 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 Mathira 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 Mathira has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

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

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

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

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

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

**c) Property, plant and equipment**

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

**d) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the

remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**e) Intangible assets**

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

**f) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

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**

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

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

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

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

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- 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.

**6. Transfers from the NGCDF Board**

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

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

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

**8. Finance income**

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

*(Provide a brief explanation for this revenue)*

**9. Miscellaneous income**

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

10. Employees cost

Description	2024-2025
	Kshs
NG-CDFC Basic staff salaries	2,962,366
Personal allowances paid as part of salary	-
House Allowance	412,300
Transport Allowance	251,740
Leave allowance	-
Gratuity to contractual employees	783,876
Employer Contributions Compulsory national social security schemes	190,634
Employer Contributions Compulsory Housing levy	50,930
Employer contributions to National Industrial Training Authority	-
Other Specify	-
<b>Total</b>	<b>4,651,846</b>

11. Committee Expenses

Description	2024-2025
	Kshs
Sitting allowance	654,000
Other Committee expenses	1,983,760
<b>Total</b>	<b>2,637,760</b>

12. Use of Goods and services

Description	Period ended June 2025
	Kshs
Utilities, supplies and services	21,075
Communication, supplies and services	36,950
Domestic travel and subsistence	118,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	-
Hospitality supplies and services	213,350
Insurance costs	38,087
Specialized materials and services	-
Office and general supplies and services	789,884
Fuel, oil & lubricants	1,800,000
Bank Charges	35,729

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Routine maintenance – vehicles and other transport equipment	168,243
Routine maintenance – other assets	25,370
Strategic plan expenses	-
Internet expenses	18,000
<b>Total</b>	<b>3,264,688</b>

**13. Other Government Units Actual expenditure**

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	11,999,608
Secondary Schools Actual Expenditure	47,958,717
Tertiary Institutions Actual Expenditure	288
<b>Total</b>	<b>59,958,613</b>

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

Description	2024-2025
	Kshs
Bursary – secondary schools	46,270,619
Bursary – tertiary institutions	5,810,131
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	2,599,950
Climate change mitigation projects	3,509,592
Emergency projects Actual Expenditure	-
Roads projects	-
Others specify	-
<b>Total</b>	<b>58,190,292</b>

**15. Depreciation and Amortization Expenses**

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

**16. Digital Hubs Expenses**

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

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

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

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

**18. Impairment Loss**

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

*(Provide brief explanation on assets impairment loss)*

**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No. (Operations account)</i>	89,235,381	4,695,033.45
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	1,533,462	749,586.00

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Name of Bank, account No. (PMC's account)	34,212,943	71,420,697.00
<b>Total</b>	<b>124,981,786</b>	<b>76,865,316</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
[Provide Cash Count Certificates for Each]		

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

**20. Receivables from Exchange Transactions**

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

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

**i. Ageing Analysis for Receivables**

Description	Period ended June 2025		Opening Statement 1 <sup>st</sup> July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	71,914,052	100%	59,611,967	100%
Between 1- 2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total (a+b)</b>	<b>71,914,052</b>	<b>100%</b>	<b>59,611,967</b>	<b>100%</b>

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

Description	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs

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Transfers from NGCDFB	71,914,052	59,611,967.00
Outstanding imprest	-	-
<b>Total</b>	<b>71,914,052</b>	<b>59,611,967</b>

Ageing analysis for Non exchange receivables

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	71,914,052	100%	59,611,967	100%
Between 1- 2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total (a+b)</b>	<b>71,914,052</b>	<b>100%</b>	<b>59,611,967</b>	<b>100%</b>

22. Prepayments

Description	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	76,175	-
Prepaid Electricity Costs	-	-
Other Prepayments ( <i>Specify</i> )	-	-
<b>Total</b>	<b>76,175</b>	<b>-</b>

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work In progress	Service concession assets	Total
Depreciation Rate		10%	25.00 %	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 <sup>st</sup> July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th Jun 2025	-	-	-	-	-	-	-	-	-
Depreciation And Impairment									

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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 <sup>st</sup> July 2024	-	-	-	-	-	-	-	-	-
As At 30th June, 2025	-	-	-	-	-	-	-	-	-

**Valuation**

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

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

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

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

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	-	-

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Office Equipment, Furniture and Fittings	-	-
Total	-	-

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24. Intangible Assets

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

25. Right-of use assets

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

26. Trade and Other Payables

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

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

27. Third-Party deposits

	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	461,173	-
Retention paid during the period (C)	-	-
<b>Closing Retention as at period xx, D= A+B-C</b>	<b>461,173</b>	<b>-</b>

Retentions aging analysis.

	2024-2025 Y	% of the total	2023-2024	% of the total
Less than 1 year	461,173	100%	-	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>461,173</b>		<b>-</b>	

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

**28. Lease Liabilities**

Description	2024-2025	Opening Statement
	Kshs	1 <sup>st</sup> July 2024 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	2024-2025	Opening Statement
	Kshs	1 <sup>st</sup> July 2024 Kshs
Gratuity at the beginning of the period (A)	749,586	749,586
Gratuity held during the period (B)	783,876	-
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period 30 <sup>th</sup> June 2025 D=(A+B-C)	1,533,462	749,586

### 30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	59,710,853
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Changes in inventory	-
Changes in receivables	12,378,260
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	783,876
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>48,116,469</b>

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

### 31. Financial Risk Management

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

#### i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial

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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
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	71,914,052	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	<b>71,914,052</b>	-	-
<b>As at 30 June (Previous FY)</b>	-		-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	59,611,967	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	<b>59,611,967</b>	-	-

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

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from none. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) **Liquidity risk management**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,533,462	1,533,462
<b>Total</b>	-	-	<b>1,533,462</b>	<b>1,533,462</b>
<b>As at 30<sup>th</sup> June (Previous FY)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	749,586	-
<b>Total</b>	-	-	<b>749,586</b>	<b>749,586</b>

iii) **Market risk**

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of

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market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

Current FY

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

Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June 2025(Current FY)			

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Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Foreign Currency Asset/(Liability)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Financial Risk Management

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

#### b) Interest rate risk

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

#### Management of interest rate risk

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

#### Sensitivity analysis

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

#### Fair value of financial assets and liabilities

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a) Financial instruments measured at fair value.

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

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

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

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

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

**iv) Capital Risk Management**

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

Description	Insert Current FY2024-2025	Opening Statement F1 July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	195,438,551	135,726,459
<b>Total Funds</b>	<b>195,438,551</b>	<b>135,726,459</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	124,981,786	76,865,316
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	<b>%</b>	<b>%</b>



**32. Related Party Disclosures**

	<i>FY2024-2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	654,000	1,639,000
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	176,111,967	198,534,541
<b>Total</b>	<b>176,765,967</b>	<b>200,173,541</b>

**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>Insert Current FY</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(Give details)*

**Contingent Liabilities**

Description	Insert Current FY	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

**35. Capital Commitments**

Capital Commitments	Insert Current FY	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
<b>Total</b>	-	-

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been 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 Mathira Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

**38. Currency**

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

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18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	5,011,958	-	-	5,011,958
Transport equipment	4,500,000	-	-	4,500,000
Office equipment, furniture, and fittings	1,934,810	-	-	1,934,810
ICT Equipment and Other ICT Assets	1,450,370	-	-	1,450,370
Other Machinery and Equipment	15,660,000	-	-	15,660,000
Intangible assets	-	-	-	-
<b>Total</b>	<b>28,557,138</b>	<b>-</b>	<b>-</b>	<b>28,557,138</b>

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

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

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
<b>PRIMARY SCH. PROJECTS</b>				
Gathogorero Primary School	Cooperative Bank	01141710890200	399,392	457,053
Kiamabara Primary School	Cooperative Bank	01141711437200	1,252,298	252,298
Kianjogu Primary School	Cooperative Bank	01141711230400	16,737	200,047
Kahuru Primary School	Cooperative Bank	01141711229200	170,742	170,742
Karindundu Primary School	Cooperative Bank	01141711230000	108,132	108,132
Kiangengi Primary School	Cooperative Bank	01141711501900	102,393	102,393
Ihwagi Primary School	Cooperative Bank	01141711228400	50,846	50,846
Magutu Primary School	Cooperative Bank	01141711472500	36,975	36,975
Kiangoma Primary School	Cooperative Bank	01141711203100	30,365	30,365
Wakamata Primary School	Cooperative Bank	01141711438100	8,503	8,503
Gaturiri Primary School	Cooperative Bank	01139629182600	-	4,904
Gatiko Primary School	Cooperative Bank	01141710893500	3,927	3,927
Kihuro Primary School	Cooperative Bank	01107112497001	58,975	58,975
Kihuro Primary School	Cooperative Bank	01141711249700	3,527	3,527
Ngorano Primary School	National Bank	01022206983400	1,782	1,782
Kiamwangi Primary School	Cooperative Bank	01141711492000	1,651	1,651
Kirigu Primary School	Cooperative Bank	01141711204400	1,040	1,040
Gathaiti Primary School	Cooperative Bank	01141711491700	794	794
Kianjeneni Primary School	Cooperative Bank	01101327000001	1,025	-
Karatina Urban primary School	Cooperative Bank	01107112030001	4,549	-
Kanjuri Primary School	Cooperative Bank	01101064990001	1,301,475	1,475
Ndimaini Primary School	Cooperative Bank	01107114342001	8,000,000	-
Gikumbo Primary School	Cooperative Bank	01101962048001	1,045,523	-
Kieni Primary School	Cooperative Bank	01101967337001	1,500,000	-
Karatina DEB Primary School	Cooperative Bank	01100994791001	459,561	7,651,433

**National Government Constituencies Development Fund (NGCDF)**  
**Mathira Constituency**  
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Mathaithi Day Secondary School	Cooperative Bank	01100172859001	4,568,793	9,292,025
Gaturiri Secondary School	Cooperative Bank	01100365050001	1,962,625	4,804,603
Bishop Gatimu Ngandu Girls	Cooperative Bank	01141410394200	144,855	144,855
Ragati Secondary School	Cooperative Bank	01141711230900	102,876	102,876
Miiri Secondary School	Cooperative Bank	01141629627500	57,924	57,924
Hiriga Secondary School	Cooperative Bank	01141711504400	-	41,800
Ihwagi Secondary School	Cooperative Bank	01139059136900	464,399	6,007,002
Ruthagati Secondary School	Cooperative Bank	01141711504300	5,495	10,675
Kiamwangi Secondary School	Cooperative Bank	01141711517400	10,667	10,667
St. Augustine Kieni Secondary School	Cooperative Bank	01141711433500	-	3,460
Ndimaini Secondary School	Cooperative Bank	01141710891000	2,960	3,027,080
Gatundu Secondary School	Cooperative Bank	01100595577001	167,233	4,400,175
Gikumbo Secondary School	Cooperative Bank	01120059658500	-	
Ngorano Secondary School	Cooperative Bank	01101095600001	-	
Kianjogu Secondary School	Cooperative Bank	01101267868001	-	
Ngunguru Secondary School	Cooperative Bank	01141059525600	11,820,918	7,171,975
Kanyama Secondary School	Cooperative Bank	01100597327001	-	9,975
Maganjo Secondary School	Cooperative Bank	01100358838001	-	9,975
General China Secondary School	Cooperative Bank	01100590157001	-	9,975
Gakuyu Secondary School	Cooperative Bank	01107108851001	-	20,645
Iruri Secondary School	Cooperative Bank	01100190481001	-	11,400
Itundu Secondary School	Cooperative Bank	0110016817001	-	1,305
Mathira Youth Empowerment	Cooperative Bank	01141711287400	(0)	23,270,619
ICUGA PRIMARY SCHOOL	Cooperative Bank	01107111371001	5,000	200,000
KIRIGU PRIMARY SCHOOL	Cooperative Bank	01141711204400	5,000	200,000
RAGATI PRIMARY SCHOOL	Cooperative Bank	01101094342001	5,000	200,000
IRURI PRIMARY SCHOOL	Cooperative Bank	01101116850001	5,000	200,000
NGORANO SECONDARY SCHOOL	Cooperative Bank	01101095600001	5,000	200,000
KIAMARIGA BOYS SECONDARY SCHOOL	Cooperative Bank	01100597751001	5,000	200,000
RITITI SECONDARY SCHOOL	Cooperative Bank	01101170717001	5,000	200,000
KIANJOGU SECONDARY SCHOOL	Cooperative Bank	01101267868001	5,000	200,000

**National Government Constituencies Development Fund (NGCDF)**  
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TUMUTUMU MIXED SECONDARY SCHOOL	Cooperative Bank	01101122414001	5,000	200,000
KARURA PRIMARY SCHOOL	Cooperative Bank	01100598784001	5,000	200,000
KANJURI PRIMARY SCHOOL	Cooperative Bank	01101064990001	2,500	200,000
MUTHEA SECONDARY SCHOOL	Cooperative Bank	01104102926001	-	202,150
MIIRI SECONDARY SCHOOL	Cooperative Bank	01141629627500	5,000	200,000
KANGOCHO SECONDARY SCHOOL	Cooperative Bank	01100596128001	60,000	200,000
IHWAGI SECONDARY SCHOOL	Cooperative Bank	01139059136900	5,000	200,000
GATHUGU PRIMARY SCHOOL	Cooperative Bank	01101068519001	35,000	200,000
ST. AUGUSTINE KIENI SECONDARY SCHOOL	Cooperative Bank	01141711433500	-	200,000
KIAMABARA SECONDARY SCHOOL	Cooperative Bank	01100598469001	5,000	200,000
KANJURI PRIMARY SCHOOL	Cooperative Bank	01101064990001	-	80,000
Huruma Assistant Chief's Office	Cooperative Bank	01141711504600	99,785	99,785
Kiahia Assistant Chief's Office	Cooperative Bank	01141711485400	38,565	38,565
Konyu Chiefs Office	Cooperative Bank	01141711203900	28,527	28,527
Gatina Ass. Chief Office	Cooperative Bank	01141711229800	8,920	8,920
Gatung'ang'a Chiefs Office	Cooperative Bank	01141711437100	2,125	2,125
Gathehu Chief's Office	Cooperative Bank	01101331198001	50	-
Ndunduini Ass. Chief's Office	Cooperative Bank	01141711585000	3,514	3,514
<b>GRANT TOTAL</b>			<b>34,212,942</b>	<b>71,419,459</b>

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Mathira Youth Empowerment Project	The ownership status of the parcel of land and the regularity of the expenditure of Kshs. 8,906,408 could not be confirmed.	The funds were approved for reallocation to finance other Projects.	Resolved	

**National Government Constituencies Development Fund (NGCDF)**  
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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)
2. Lack of ownership documents for Asset.	Ownership status for motor grader valued at Kshs. 15,660,000 could not be confirmed.	The grader was procured in the financial year 2004/2005. The management is in liaison with the NG-CDF Board for the provision of logbook.	Not resolved.	Eight months.

  
 Eleanor Muthoni  
 Fund Account Manager



