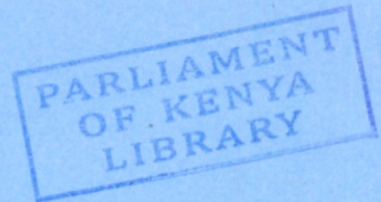


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 17 FEB 2026

DAY:
TUESDAY

ON

TABLED
BY:

DEPUTY MAJORITY
LEADER

CLERK-AT
THE-TABLE:

FINLAY

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KITUI RURAL CONSTITUENCY**

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30684 - 00100, NAIROBI
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KITUI RURAL CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional Financial statements under International Public Sector Accounting Standards
(IPSAS)

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

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

Creating a Thriving and Sustainable Community

Mission

To improve the living conditions of our constituents by delivering projects that promote economic growth, social development and environmental sustainability.

Core Values

- a) Integrity
- b) Transparency
- c) Honesty and Truthfulness
- d) Accountability
- e) Efficiency and effectiveness
- f) Role modelling
- g) Value addition
- h) Equality
- i) Team Spirit
- j) Openness

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 Kitui Rural 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 June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Ezekiel Kitungu Mwangangi
2.	National Sub-County Accountant	Alex Tinega
3.	Chairman NGCDFC	Simon Munyoki
4.	Member NGCDFC	Maureen Nathan
5.	Member NGCDFC	Maurice Ngala

(c) Fiduciary Oversight Arrangements

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

P.O. Box 1422
NGCDF Building
Along Kiusyani Road
Kwa vonza Town KENYA.

(e) NGCDF Kitui Rural Constituency Contacts

Telephone: (254) 723636367
E-mail: ngcdfkituirural@.go.ke
Website: www.go.ke

(f) NGCDF Kitui Rural Constituency Bankers

Equity Bank (Operations Account)
A/C No 0720261934286
Kitui Branch
P.O. Box 1143
Kitui.

Equity Bank (Deposit account).
A/C No 0720285323138
Kitui Branch
P.O. Box 1143
Kitui.

Kitui Rural PMC Bank Accounts (Various) as per annex 2

Equity Bank

Kitui Branch

P.O. Box 1143

Kitui.

(List of all PMC bank Accounts attached)

(g) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya.

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue





P.O. Box 40112

City Square 00200





Nairobi, Kenya

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

Name	Details
 SIMON MUNYOKI- CHAIRMAN	Date of Birth;24/12/1964 Academic qualification; Degree Work Experience; Retired Teacher/Business man
 MAURICE MAKAU- SECRETARY	Date of Birth;01/01/1961 Academic qualification; Diploma in Education Work Experience; Retired Teacher/Farmer
 MAURICE KIEMA- MEMBER	Date of Birth; 02/08/1962 Academic qualification; Certificate in Agriculture Work Experience; Self Employed/ Farmer
 MOUREEN NATHAN- MEMBER	Date of Birth; 01/01/1977 Academic qualification; KCPE Work Experience; Self Employed/Farmer

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 JUMA MUTIA- COOPTED MEMBER	<p>Date of Birth;22/04/1958 Academic qualification; O' level Work Experience; Self Employed/Farmer</p>
 SALOME JOSEPH- MEMBER	<p>Date of Birth; 05/09/1975 Academic qualification; KCPE Work Experience; Self Employed/Pastress</p>
 PAULINE MALEVE- MEMBER	<p>Date of Birth; 05/07/1994 Academic qualification; Diploma in nutrition Work Experience; Self Employed/Nutritionist</p>
 BENSON KASINA- MEMBER	<p>Date of Birth; 13/02/2000 Academic qualification; KCPE Work Experience; Self Employed/Boda boda Rider</p>
 EZEKIEL MWANGANGI - FAM	<p>Date of Birth; 25/02/1981 Academic qualification; MBA Finance , B-Com Work Experience; Fund Account Manager for eighteen years</p>

4. NG-CDFC Chairman's Report



Simon Munyoki-Chairman Kitui Rural NGCDFC

Kitui Rural Constituency is an electoral Constituency in Kenya. It is one of the Eight Constituencies of Kitui County in the Former Eastern Province. The Constituency was established and gazetted in 2012 by the Independent Electoral and Boundaries Commission (IEBC) in readiness for the 2013 elections.

The Constituency has its headquarters in Kwa vonza Town where it has constructed its own office along Kwa vonza Kiusyani road around 600 meters from Machakos Kitui road.

According to the 2019 Kenya Population and Housing Census, the population was 1,136,187 with a population density of 37 people per Km² and an annual growth rate of 2.2%. Main economic activities are Livestock keeping, bee keeping, growing of maize, beans farming of tobacco, cotton, cowpeas, mangoes and commercial businesses.

The Committee has always dedicated time to ensure prudent management of resources received from the NG-CDF Board within the four wards of the Constituency. Since inception, the committee has completed several development projects that are geared towards infrastructural development, wealth creation and fight against poverty within the constituency.

During the financial year, 2024/25 Kitui Rural Constituency NG-CDF had a budget allocation of ksh .170, 469,857 and a final budget of Ksh.279, 860,335

The constituency was able to utilise 63.35% of the allocated resources during the year. At the closure of the financial year the constituency, had unutilised funds amounting to Ksh. 45,969,819 representing cashbook balance of Ksh 26,499,962.00 and an amount of Ksh. 19,469,857 not yet received from the board at the close of the financial year. The implementation has been satisfactory despite a few challenges.

The allocation of the original budget was as follows:

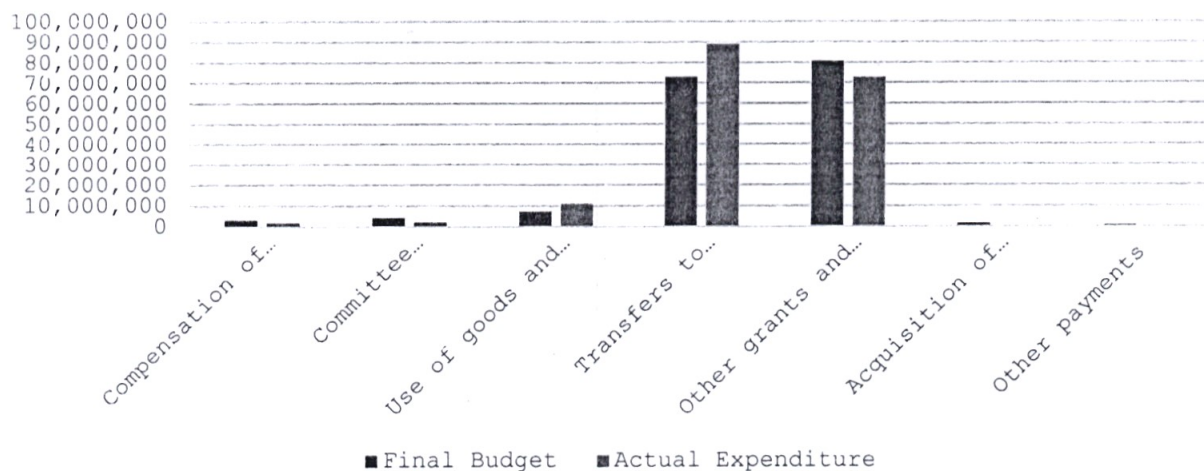
National Government Constituencies Development Fund (NGCDF)
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Expenditure item	Budget (Ksh.)
Compensation of Employees	3,230,448
Committee expenses	4,447,690
Use of goods and services	7,214,108
Transfers to Other Government Units	73,000,000
Other grants and transfers	80,627,611
Acquisition of Assets	1,500,000
Other payments	450,000
	170,469,857

The expenditure summary is as follows

	Budget	Expenditure
Compensation of Employees	3,230,448	2,055,735
Committee expenses	4,447,690	2,348,000
Use of goods and services	7,214,108	11,096,107
Transfers to Other Government Units	73,000,000	89,118,129
Other grants and transfers	80,627,611	72,677,050
Acquisition of Assets	1,500,000	-
Other payments	450,000	-
	170,469,857	177,295,021

Final Budget vs Actual Expenditure



KEY ACHIEVEMENTS

During the Financial year 2024/2025 in the education sector, we have put up new facilities among these, include thirty-five classrooms, one laboratory, three administration blocks,

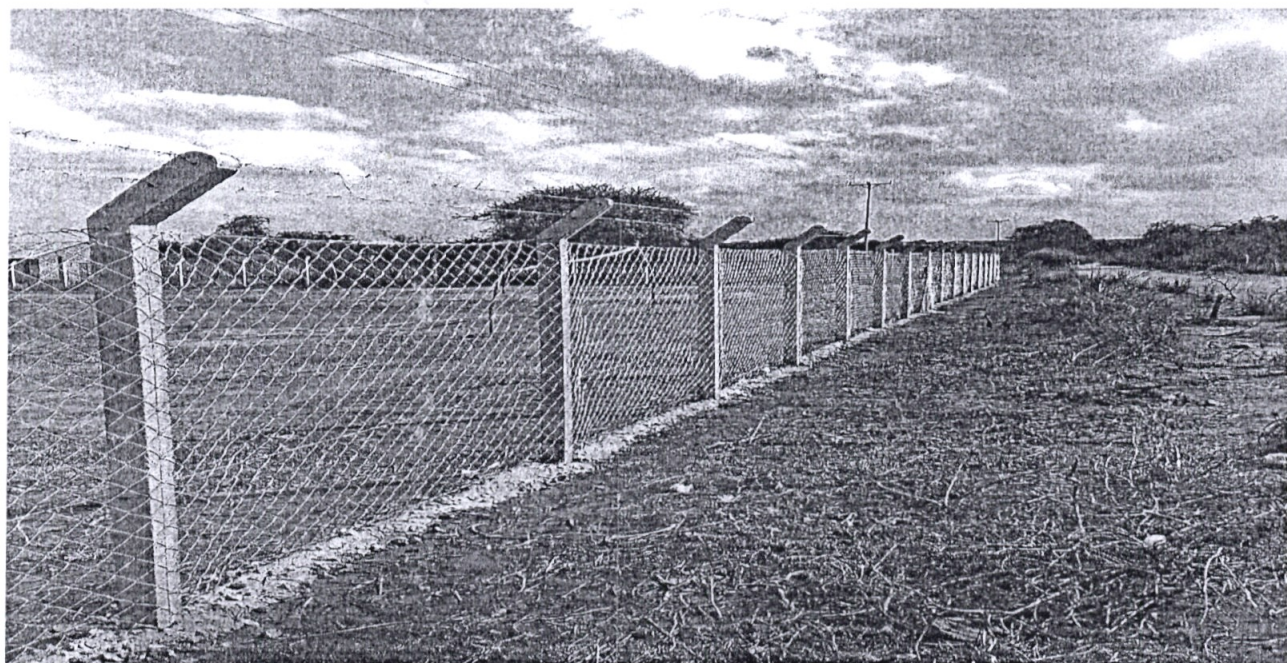
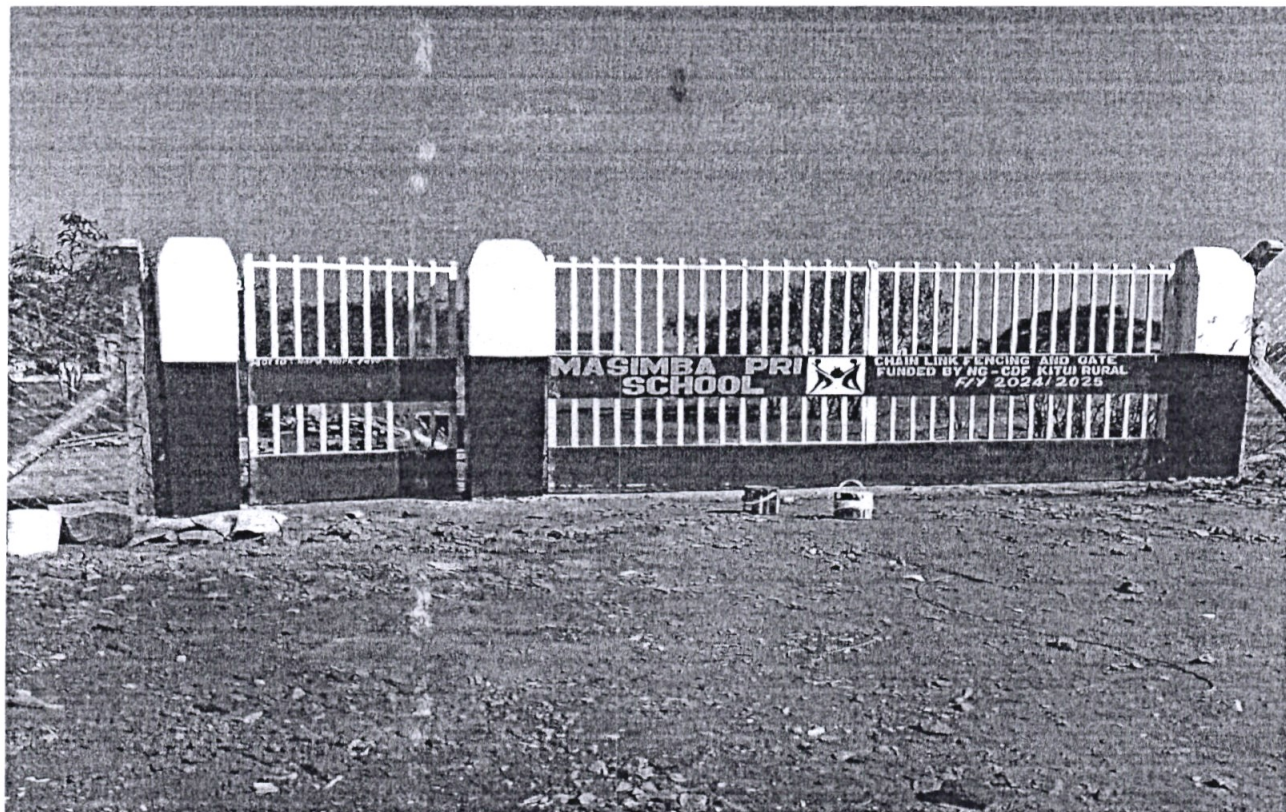
Fenced thirteen schools, constructed two dining halls and renovated twelve classrooms, which has helped create conducive environment for students/learners and the teachers. We have also sunk one borehole for school, purchased two school buses to facilitate transport as well as award of bursaries to needy and vulnerable students within the constituency. To enhance security, we have further constructed three chiefs and assistant chief's offices bringing services closer to the people, fenced other facilities in various localities. Environment activities have not been left out, schools have benefitted with water tanks for water harvesting and planting of trees to conserve the Environment.

PHOTOS OF PROJECTS



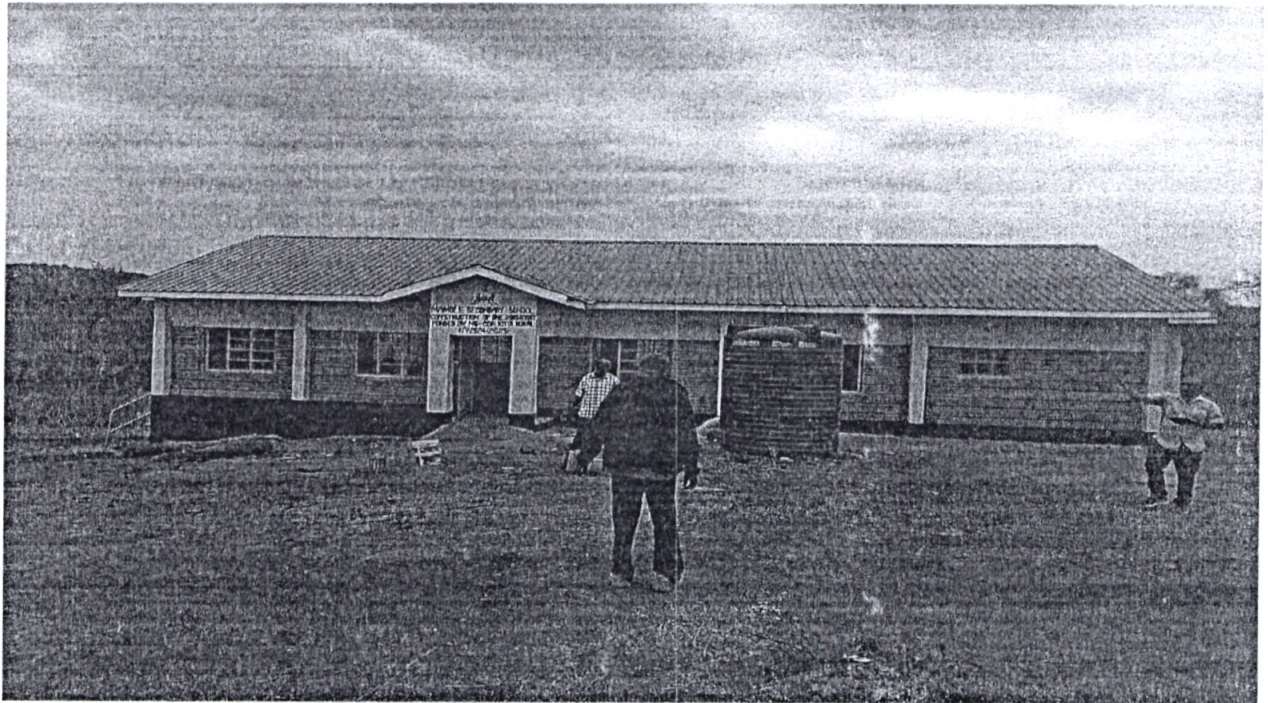
Matu Secondary School: Borehole Drilling and Equipping





Masimba Primary School: Fencing and Gate

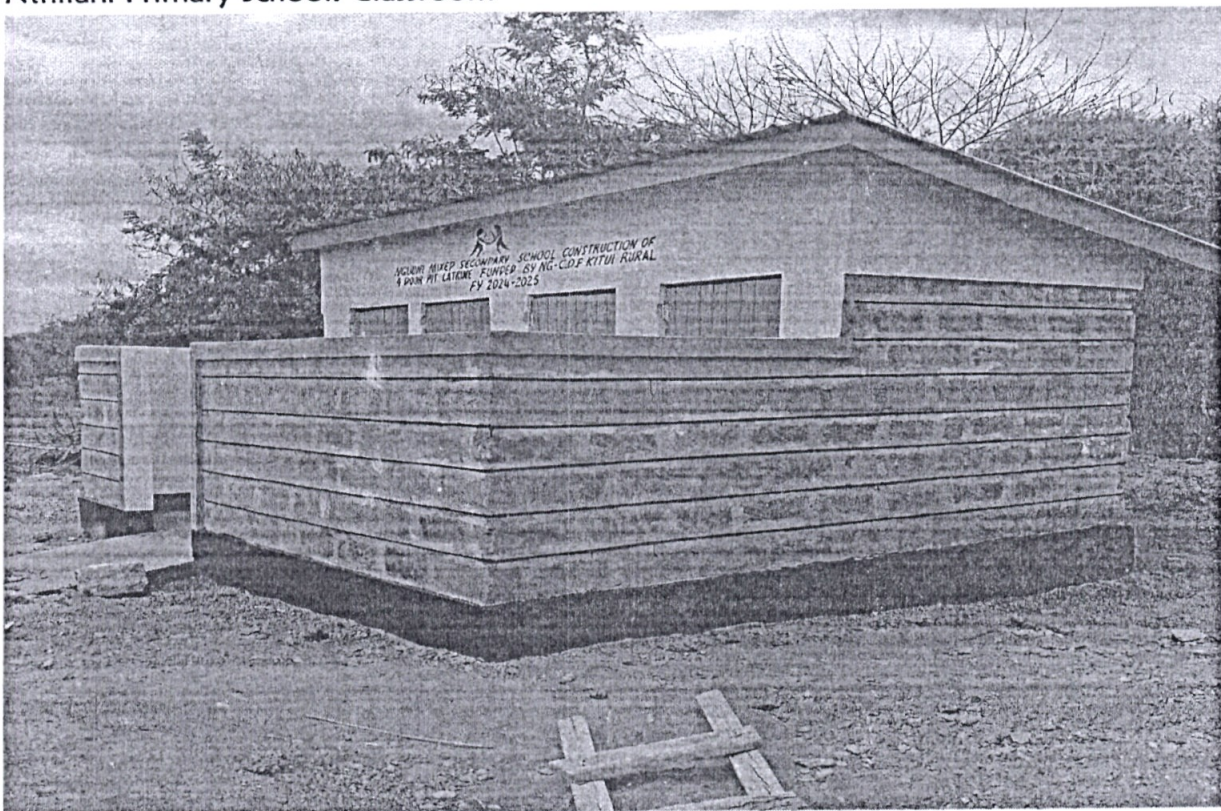
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Mamole Secondary School: 150 students Capacity Dormitory



Nthilani Primary School: Classroom



Nguuni Mixed Secondary School: Four-Door Pit Latrine

EMERGING ISSUES

Kitui Rural Constituency has also faced some emerging issues for example, increased bursary uptake. Management of the committee members during transition periods, persistence water challenges and lack of accessible roads in the rural parts of the constituency. Moreover, increase in prices of food stuffs and other commodities leading to slow economic activities, unreliable rainfall and long periods of droughts leading to slow harvest by the farmers, Slow release of funds has also impacted negatively on our overall performance.

IMPLEMENTATION CHALLENGES AND WAYFORWARD

Political influence from the local leaders to some extent has become a challenge in the allocation of resources within the constituency such influence could affect the fair distribution of resources to the project Management Committees; procurement process still poses a great challenge to the committee.

WAYFORWARD

We shall continuously endeavour to train and Build PMC's capacity in order to appreciate the laws and regulations governing management of public funds.

APPRECIATION

Let me recognise the CDF Board, The National Treasury and Economic Planning, Office of the Auditor General for policy direction. The Area Member of National assembly for patronage. Sub County Heads of Departments, CDFC Members and all other stakeholders for standing with us all along, Finally I would like to appreciate the contribution and individual dedication of our members of staff towards our overall success.
Asanteni Sana and God bless our Nation.



.....
Simon Muema Munyoki
Chairman NGCDF Committee

5. Statement of Performance against Predetermined Objectives for FY2024/2025

Introduction

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

The key development objectives of Kitui Rural Constituency 2022-2027 plan are to:

- a. Increase in employability of the youth.
- b. Improve performance in primary, secondary and TVET.
- c. Increase security coverage.
- d. Increase in enrolment in primary, secondary.
- e. Increase in transition from primary to secondary.
- f. Increase number of youth engaged in gainful employment
- g. Increase in online business uptake by youth
- h. Increase in knowledge, skills and passion for sustainable environment
- i. Secure business environment.

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of bursary's beneficiaries at all levels	In FY 2024/2025, we increased number of classrooms by 35, 3 administration blocks, and fenced 13 schools, constructed 2 dining halls and renovated 12 classrooms in primary and secondary schools.
	To enhance accessibility to quality education through building and upgrading of education environment		Number of usable physical infrastructure built in primary, secondary, and tertiary institutions within the constituency	Bursary beneficiaries at all levels also increased in universities to 6,000 and in secondary up to 13,000

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Security	To provide security to all constituents by improving police posts and national government administrative units	Develop the infrastructure in the national security administration to enhance service delivery	Number of usable physical infrastructure built at sub county levels locations , sub locations and police stations	Number of Chiefs offices increased from 11 to 13 Number of built Assistant Chiefs and Chiefs offices increased from 9 to 10
Climate change mitigation activities	To provide twenty water harvesting tanks across the constituency	Availability of water in targeted learning institutions in the constituency	Clean leaning environment	Availability of safe, clean water to allocated institutions. We have allocated 21 more water tanks for water harvesting this financial year
Emergency	To cater for any unforeseen occurrence in the constituency	Emergency cases sorted within soonest time possible	Number of emergency cases handled	Eight emergency cases were financed and works done averting vulnerable unforeseen projects.
Others (Service charter)	To enhance service delivery to the constituents	Guidelines to achieving Constituency proposals and plans over the period	Service Charter	Allocated funds for service charter development. A constituency with a plan and foresight, early enough thus satisfied constituents

6. Governance Statement

(Appointment of NG-CDF Committee)

The NGCDF Act 2016 on appointment of NGCDFC member's states; The members of a Constituency Committee provided for Appointment under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951 (2), a vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

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

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

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

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

Constituency Committee in accordance with guidelines issued by the Board.

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

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

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

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

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

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

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At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Kitui Rural, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. The tenure of the committee members is two years that ended on November 2024. The new committee was gazetted on the 21st May 2025, which is currently managing the funds.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of three female members one of whom must be a youth at the time of appointment and three male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities. A selection panel chaired by the Deputy County Commissioner or his nominee selects seven members and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects seven applicants considering age, gender social interest and regional balance, the officer of the board submits the seven qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. All the names of the seven appointees presented to parliament for approval and subsequent gazette.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further to adhering to regulations, on appointment of the new committee members, the panel invited to fill in members through advertisement publicised in mosques and churches, public offices, notice boards and other public areas in the constituency in the month of November 2024 and a new committee was gazette on 21st May 2025.

In compliance of the foregoing therefore, the NGCDFC were gazetted vide Gazette notice no. CXXVII – N0.98 dated 21st May 2025 as tabulated here below;

S/no	Name	Category Representation	Ward
1.	Muema Simon Munyoki	Male Adult	Kisasi Ward
2.	Benson Mbula Kasina	Male Youth	Kanyangi Ward
3.	Salome Mwendu Joseph	Female Adult	Mbitini Ward
4.	Pauline Kathini Maleve	Female Youth	Kisasi Ward
5.	Maurice Mbevo Kiema	Male Adult	Kanyangi Ward
6.	Makau Maurice Ngala	Male Representative	Yatta Kwa vonza
7.	Kaveki Moureen Nathan	Female Representative	Yatta Kwa vonza
8.	Juma Mutia Maanzo	Coopted member	Mbitini Ward

Removal of NG-CDFC Members

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

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. However, NGCDFC within the period under review did not find any member to have contravened the laid down regulations and law to warrant removal.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are-

- i. Convene public meetings in every ward in the constituency to deliberate on development matters.
- ii. Deliberate on project proposals and any other project considered beneficial to constituency.
- iii. List of projects for submission in accordance with the Act to the Board and ensure that all proposed projects approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects, build capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

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Number of meetings held

Section 43(11) The Constituency Committee shall meet at least six times in a year and shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2024/2025, NG-CDFC Kitui Rural held 16 meetings as illustrated hereunder.

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Schedule of meetings held during the FY 2024/2025

S. N	NG-CDFC COMMITTEE MEMBERS	17/07/24	13/08/24	01/08/24	21/08/24	27/09/24	23/10/24	12/10/24	12/11/24	14/12/24	02/01/25	2/01/25	24/02/25	03/03/25	02/04/25	27/05/25	23/06/25
1	Muema Munyoki chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Maurice Ngala Mbevo-Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Benson Mbula Kasina-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Maurice Makau-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Pauline Kathini Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Maureen Nathan Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Salome Mwendu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

- i. Confidentiality - NGCDFC members have a responsibility to ensure confidentiality.
- ii. Honesty and integrity-NGCDFC members have a duty to declare their interests while dealing with the constituency and/or public duties as members and take steps to resolve the same professionally in conscious safeguard to the public interest under their charge.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2024/2025, Kitui Rural NGCDFC members adhered fully to the aforementioned ethical issues.

Members' remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh7, 000 per meeting and all other members and allowance of ksh. 5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year, the NGCDFC members adhered to the cabinet secretary is circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member interested in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof. They shall neither take part in the consideration or discussion of, nor vote on any questions with respect to the contract or other matter. Accordingly, they shall omitted in the quorum of the meeting during consideration of the matter and be recorded in the minutes of the meeting at which it is disclosed. In the financial year 2024/2025, no member of NGCDFC Kitui Rural contravened conflict of interest policy.

Risk management

The Constituency has an elaborate risk management preparedness. Regular trainings to NGCDF members of staff in respective technical areas of service to ensure they carry out their roles efficiently, Induction trainings to NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations. This Fund through Fund account manager avails required resources to administer support-ensuring delivery of service is seamless.

Further, we have deliberately employed the following mitigating strategies.

- ✓ Implementing audit findings and recommendations,
- ✓ Adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system,
- ✓ Ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency,

**National Government Constituencies Development Fund (NGCDF)
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- ✓ Ensuring compliance to statutory deductions remittances,
- ✓ Allocating insurance fund in the constituency budget,
- ✓ Preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year.
- ✓ Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

7. Management Discussion and Analysis

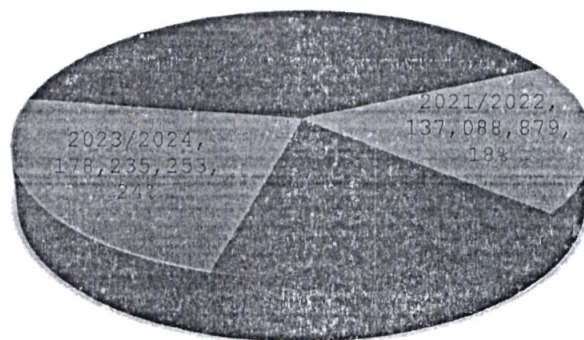
The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003, which initiated the Fund, and its subsequent amendments/reviews of 2007 and 2013.

The National Government Constituencies Development Fund (NGCDF) Kitui Rural has received a total allocation of Ksh. **761,097,901** over the past five years. The fund has implemented a number of development projects in the constituency.

The table below shows allocations for the past five years. Notably, since the financial 2020/2021, there has been an increasing allocation from Ksh.137, 088,879 in 2020/2021 to Ksh 170,469,857 the year under review as is depicted below.

S/NO	FINANCIAL YEAR	BUDGET ALLOCATION
1.	2020/2021	137,088,879
2.	2021/2022	137,088,879
3.	2022/2023	138,215,033
4.	2023/2024	178,235,253
5.	2024/2025	170,469,857
	TOTAL	761,097,901

Annual Budget Allocation from 2020/2021 to 2024/2025

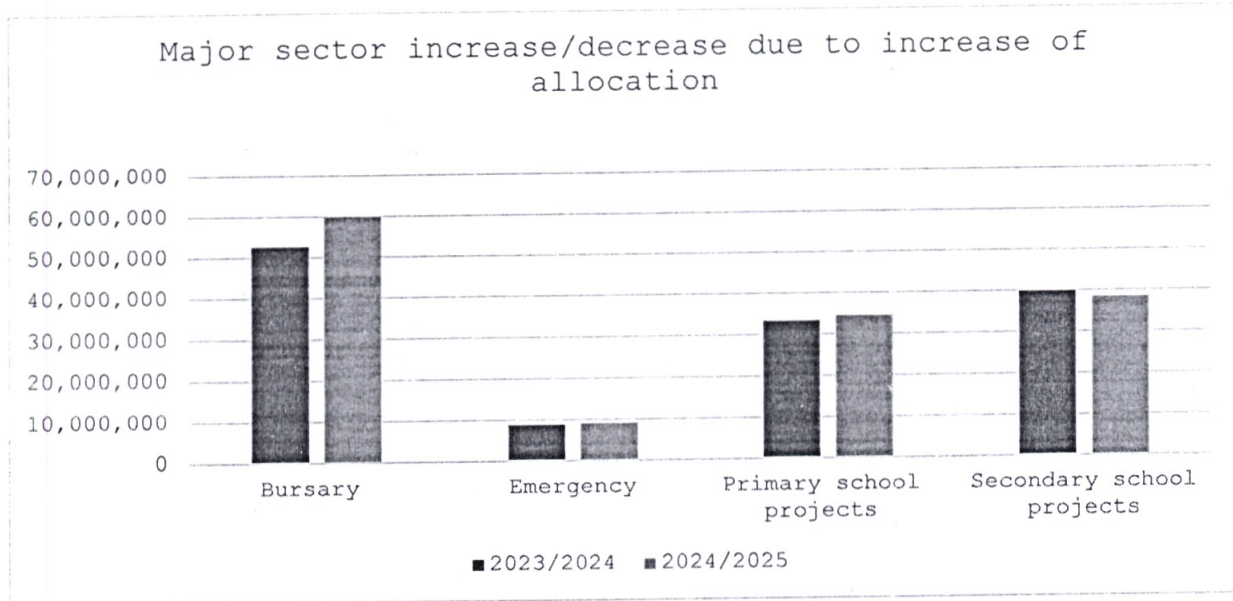


■ 2020/2021 ■ 2021/2022 ■ 2022/2023 ■ 2023/2024 ■ 2024/2025

National Government Constituencies Development Fund (NGCDF)
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The following sectors have due to the gradual increase in the allocation over the period of five years majorly seen growth in their allocations and would continue to foster the same benefit if the fund is held for the unforeseen future.

S/NO	SECTOR	2023/2024	2024/2025
1.	Bursary	52,675,642	60,000,000
2.	Emergency	8,768,091	8,972,097
3.	Primary school projects	33,410,000	34,500,000
4.	Secondary school projects	40,000,000	38,500,000
	TOTAL		







Compliance with Statutory Requirements

The Fund has maintained compliance with statutory obligations, including timely submission of annual financial statements, tax filings, statutory reports, implementation of audit recommendations and ensuring no material breaches reported.

*National Government Constituencies Development Fund (NGCDF)
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Funds key projects.

S/No	Project Name/Activity	Amount	Financial Year	Photo
1.	Mosa Mixed Secondary School Purchase of a 46-seater school bus.	8,500,000	2024/2025	
2.	Matu Mixed secondary School Drilling and Equipping of a borehole, Purchase and installation of 4 solar panels and installation of submersible water pump	3,500,000	2023/2024	
3.	Masimba Mixed Secondary School Purchase of a 46-seater school bus.	8,500,000	2022/2023	
4.	Mbitini Complex Mixed Secondary School completion of multipurpose hall with a capacity of 150 students ; plastering , flooring, paint work	2,500,000	2021/2022	

*National Government Constituencies Development Fund (NGCDF)
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Major risks facing the fund.

1	Funding shortfalls	Delays in disbursements of the funds
2	Project delays	Due to procurement issues
3	Economic instability	Affecting projects costs

Review of the economy and sectors

Over the past five years, Kenya’s economy has demonstrated steady growth, averaging around 5-6% annually, supported by sectors such as Education, services, and infrastructure. Inflation has remained within targeted ranges below (5%), maintaining economic stability, while the Kenyan Shilling has shown relative stability against major currencies. Government policies aligned with Kenya’s Vision 2030 have prioritized rural development, infrastructure expansion, and poverty alleviation, positively impacting Kitui Rural constituency.

Education sector

The fund has prioritized education through funding school infrastructure (construction and renovations of classrooms, dormitories, administrative offices, dining halls and laboratories), and supporting the students through bursaries. Over the past five years, notable achievements have been realized in expanding access and improving quality of education across the constituency.

Climate sector

Environment sustainability is an important factor to livelihood of the constituents of this constituency. In this regard, the fund has allocated fund towards climate and environment projects through tree planting and water harvesting projects.

Security sector

The fund has contributed to enhancing local security through construction of police post and chief’s offices.

Future developments

Construction of technical training college - This initiative aims to provide practical skills and vocational training opportunities.

Expansion of digital learning projects – A facilitator towards global migration to Artificial Intelligence

Continued investment in climate change activities – To curb global warming effects.



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 Ezekiel Mwangangi
 Fund Account Manager

8. Environmental and Sustainability Reporting

Kitui Rural takes pride in sensitizing the youth to lead the community in environment conservation, which is a key pillar to spurring community and general productivity of the constituency through agriculture. Likewise, sensitizing the youth on prevention of drug and substance abuse for healthy and sustainable community as well as reduce crime rate among citizens.

✓ Sustainability strategy and profile -

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

- a. **Education and Training:** Kitui Rural NG-CDF focuses on bettering their human capital. Towards this end, the strategy to support needy and bright students from each ward of the constituency through the bursary fund. The intention is to empower the constituents such that in years to come, the beneficiaries in 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 Kitui Rural has security as a priority area with intention to provide 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 will eventually help eliminate crime and vices by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Climate change Mitigation:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

1. Environmental performance

Kitui Rural Constituency is affected by climate change, erratic rainfall patterns, reduction of water quantity and quality, flooding, siltation of rivers, and dams, rising temperatures and frequent disease outbreaks. To mitigate these effects, this year we planted trees and bought water tanks for rain harvesting, we are also encouraging the public to put up sand dams to prevent water erosion.

✓ **Employee welfare**

We invest in providing the best working environment for our employees. Employment Act, NGCDF Act and other regulations as issued from time to time, guides Kitui Rural constituency recruitment. 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 cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kitui Rural constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

✓ **Market place practices-**

Kitui Rural NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

- ✓ Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- ✓ Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- ✓ Responsible marketing and advertisement
- ✓ Product stewardship by safeguarding consumer rights and interest

✓ **Community Engagements-**

Kitui Rural NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification, Implementation, and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial, considering the national development plans and policies and

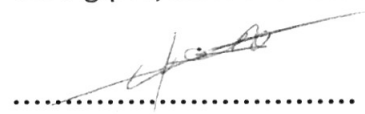
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the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act. The NG CDFC during bursary programme engaged the community through the community leaders to identify the needy students for bursary awards.

Public Awareness

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

Kitui Rural NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.


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Ezekiel Mwangangi
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-Kitui Rural 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. Towards this end, the Fund Account Manager is responsible for-

- ✓ 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, 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.
- ✓ Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kitui Rural 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- Kitui Rural Constituency further confirms the completeness of the accounting records maintained for the constituency and 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 Kitui Rural 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.

*National Government Constituencies Development Fund (NGCDF)
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Approval of the financial statements

The NGCDF- Kitui Rural Constituency financial statements were approved and signed by the Accounting Officer on 13th November 2025.



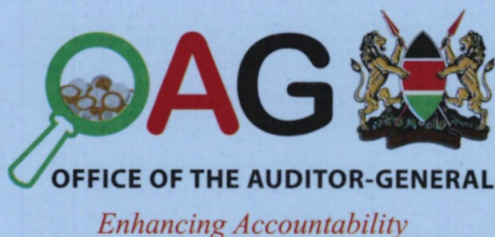
Chairman NG-CDF Committee
Simon Munyoki



Fund Account Manager
Ezekiel Mwangangi

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional International Public Sector Accounting Standards (IPSAS) financial statements of National Government Constituencies Development Fund - Kitui Rural Constituency set out on pages 1 to 81, which comprise

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional International Public Sector Accounting Standards (IPSAS) financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kitui Rural Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under International Public Sector Accounting Standards (IPSAS) 33 and comply with the National Government Constituencies Development Fund Act, 2015, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Understatement of Transfers from the Board

The statement of financial performance reflects transfers from the National Government Constituencies Development Fund (NG-CDF) Board of Kshs.170,469,857 as disclosed in Note 6 to the financial statements. Review of the account transactions revealed that Authority to Incur Expenditure (AIE) of Kshs.197,265,753 was received during the year under review from NG-CDF Board. However, the statement of financial performance disclosed actual receipts as at 30 June 2025 leaving out receivables totalling Kshs.26,795,896.

In the circumstances, the accuracy of transfers from the NG-CDF Board of Kshs.170,469,857 was understated by Kshs.26,795,896.

2. Unconfirmed Opening Depreciation and Amortization

The statement of financial position reflects property, plant and equipment balance of Kshs.21,216,287 which, as disclosed in Note 23 to financial statements includes opening depreciation and amortization expense totalling Kshs.3,793,575. However, there was no depreciation charged in the prior year as the Fund was reporting using cash basis of accounting.

In the circumstances, the accuracy of property, plant and equipment balance of Kshs.21,216,287 could not be confirmed.

3. Variance between the Financial Statements and Ledger Balances

The statement of financial performance reflects Kshs.7,933,446 in respect to use of goods and services as disclosed in Note 12 to the financial statements. However, the ledgers

for sub-components under use of goods and services reflect amounts which were at variance with the financial statements as indicated below;

Item	Ledger Amount (Kshs.)	Financial Statement Amount (Kshs.)	Variance (Kshs)
Utilities	2,971,218	1,612,016	1,359,202
Communication	2,699,700	998,579	1,701,121
Insurance Costs	123,089	20,571	102,518

In the circumstances, the accuracy of use of goods and services amount of Kshs.7,933,446 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 - Kitui Rural 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.

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 Information

The Management is responsible for the Other Information set out on pages ii to xxxiii which comprise of Key Constituency Information and Management, NG-CDFC Committee, NGCDF Chairman's Report, Statement of Performance Against Pre-Determined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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. Un-Surrendered Project Management Committee (PMC) Balances

The statement of financial position reflects a balance of Kshs.83,114,268 in respect to cash and cash equivalent which as disclosed in Note 19 to the financial statements include Kshs.55,487,219 in respect of funds held by various PMC accounts as further disclosed in Annex 2. However, the amounts included Kshs.1,299,416 relating to balances held at various PMCs accounts after completion of projects which should have been surrendered to the main account. This is contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the Constituency account.

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

2. Projects Implementation Status

Review of Project Implementation Status report as at 30 June, 2025 revealed that Management allocated Kshs.88,897,000 for the implementation of ninety-seven (97) projects, thirty-nine (39) projects with an expenditure of Kshs.37,631,000 had been completed while fifty-two (52) projects with approved budget of Kshs.43,266,000 were ongoing and six (6) with approved budget of Kshs.8,000,000 had not started as at the time of audit in November, 2025. Management attributed the delay in completion to delayed disbursement of funds by the NGCDF Board.

In the circumstances, the constituents of Kitui Rural Constituency did not obtain value for money from the fifty-eight (58) projects which were incomplete or not started with a total allocation of Kshs.51,266,000.

3. Supply and Delivery of Branded School Buses

A contract was awarded for supply and delivery of branded school buses for Mose Mixed Secondary School and Nyanyaa Secondary School at contract prices of Kshs.8,495,000 respectively. Review of procurement files revealed that there were no technical specifications prepared by Mechanical Works Officer for the purchase of the school buses. In addition, pre inspection and post inspection reports by the Mechanical Works Officer were not provided for audit review.

This is contrary to Section 60(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer of a procuring entity shall prepare specific requirements relating to the goods, works or services being procured that are clear, that give a correct and complete description of what is to be procured and that allow for fair and open competition among those who may wish to participate in the procurement proceedings.

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

4. Proposed Construction of Two (2) Classrooms at Kilamba Mixed Secondary School

A contract was awarded for construction of two (2) classrooms at Kilamba Mixed Secondary School at a contract sum of Kshs.1,999,560. As at the time of project verification in October, 2025, the classrooms were complete. However, there were visible cracks on the walls from inside and the classrooms were not in use.

In the circumstances, value for Kshs.1,999,560 spent on this project could not be confirmed.

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 December, 2025

Appendix 1: Project Implementation Status

	Project Name	Project activity	Amount Allocated	Current Status
1	Mandongoi Mixed Secondary	Construction Of 3 Door Pit Latrine	400,000.00	Ongoing
2	Ituki Mixed Secondary S	Construction Of 4 Door Pit Latrine	500,000.00	Ongoing
3	Syomunyu Girls Second	Construction Of 4 Door Pit Latrine	500,000.00	Ongoing
4	Kitamaa Primary School	Construction Of 3 Door Pit Latrine	400,000.00	Ongoing
5	Usanga Primary School	Construction Of 3 Door Pit Latrine	400,000.00	Ongoing
6	Ndunguni Asst. Chief Off	Construction Of 2 Door Pit Latrine	300,000.00	Ongoing
7	Tanganyika Asst. Chief	Construction Of 2 Door Pit Latrine	300,000.00	Ongoing
8	Mbitini Chief's Office	Construction Of 2 Door Pit Latrine	300,000.00	Ongoing
9	Kyenze Primary School	Construction Of 2 Door Pit Latrine	300,000.00	Ongoing
10	Misuuni Primary School	Construction Of 4 Door Pit Latrine	500,000.00	Ongoing
11	Mwangeni Primary School	Fixing Of Broken/Collapsed Walls	377,000.00	Ongoing
12	Kisasi Dcc Office	Construction Of 2 Door Pit Latrine	300,000.00	Ongoing
13	Kyangi Primary school	Construction Of Toilets and Bathrooms for Both Girls and Boys	500,000.00	Ongoing
14	Ikave Primary School	Renovation to completion of 5 classrooms; plastering, Fixing of doors and windows, flooring and painting	750,000	Ongoing

15	Iviani Primary School	Fencing of 467M school compound with chain link and concrete posts, Kshs. 700,000, construction to completion of a gate, Kshs. 100,000	800,000	Ongoing
16	Kamulu Primary School	Renovation to completion of 5 classrooms; plastering, Fixing of doors and windows, flooring and painting	750,000	Ongoing
17	Kavisuni Primary School	Completion of school compound fence @300 meters	450,000	Ongoing
18	Itooma Primary School	Completion of classroom , plastering, flooring, shuttering & paint	500,000	Ongoing
19	Kilumya Primary School	Renovation to completion of 5 classrooms; plastering, Fixing of doors and windows, flooring and painting	750,000	Ongoing
20	Kisasi Primary School	Phase two construction of perimeter wall @ 80 meters.	1,500,000	Ongoing
21	Kiseuni Primary School	Fencing of 300M school compound with chain link and concrete posts.	450,000	Ongoing
22	Kitooneo Primary School	Fencing of 300M school compound with chain link and concrete posts, Kshs. 450,000, construction to completion of a gate, Kshs. 100,000	550,000	Ongoing
23	Kyuluni Primary School	Renovations of 5 classes , plastering, flooring, shuttering & painting	750,000	Ongoing
24	Manzini Primary School	Renovations of 5 classes , plastering, flooring, shuttering & painting	750,000	Ongoing
25	Mavindini Primary School	Fencing of 467M school compound with chain link and concrete posts, Kshs. 700,000, construction to completion of a gate, Kshs. 100,000	800,000	Ongoing
26		Renovations of 5 classes	750,000	Ongoing

	Mbitini Primary School	, plastering, flooring, shuttering & painting		
27	Musingi Primary School	Renovations of 4 classes , plastering, flooring, shuttering & painting	600,000	Ongoing
28	Ngangani Primary School	Renovations of 9 classes , plastering, flooring, shuttering & painting	1,350,000	Ongoing
29	Waivumbu Primary School	Renovations of 5 classes , plastering, flooring, shuttering & painting	750,000	Ongoing
30	Kavisuni Mixed Secondary School	Purchase of 46-seater school Bus.	8,500,000	Ongoing
31	Kilinyaa Mixed Secondary School	Construction to completion of a 150-capacity dormitory (Size 210 square meters)	2,500,000	Ongoing
32	Kitungate Mixed Secondary School	Purchase of 46-seater school Bus	8,500,000	Ongoing
33	Kyangi Girls Secondary School	Construction to completion of a principal's house and Deputy house each with 3 rooms	3,000,000	Ongoing
34	Matu Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
35	Nzambia Secondary School	Purchase of a 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
36	Malimbani Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
37		Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000,		

	Iani Primary School	purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
38	Thome Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
39	Masaani Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
40	Ngamyone Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
41	Ngakaani Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
42	Katumba Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
43	Ikave Secondary School	Purchase of a 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
44	Yovovo Primary School	Purchase of a 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing

45	Kwa- kutu Primary School	Purchase of a 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
46	Mukaini Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
47	Kilamba Secondary School	Purchase of a8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
48	Misuuni Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
49	Kitungate Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
50	Kilivi Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
51	Mwaani Primary School	Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000, purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
52		Purchase of 8000L water tank, Kshs. 105,000, construction of a water tank base, Kshs. 40,000,		

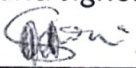
	Kavoo Primary School	purchasing of 200 indigenous trees, Kshs. 180 per tree seedling (Ksh 36,000).	181,000	Ongoing
Total			43,266,000	
1	Kwa-Kilui Primary School	Completion of administration block, plaster, floor, shutter, paint	700,000	Not Started
2	Masaani Assist Chief's Office	Construction to completion of Ass Chief's office with two offices and a boardroom.	600,000	Not Started
3	Hon. Mutisya Assistant Chief Office	Construction to completion of Ass Chief's office with two offices and a boardroom.	600,000	Not Started
4	Mandongoi Assist Chief's Office	Construction to completion of Ass Chief's office with two offices and a boardroom.	600,000	Not Started
5	Kyaithani Mixed Secondary School	Construction to completion of a laboratory with a capacity of 45 students.	2,500,000	Not Started
6	Kisasi Police Station	Buying of Land	3,000,000	Not Started
Total			8,000,000	


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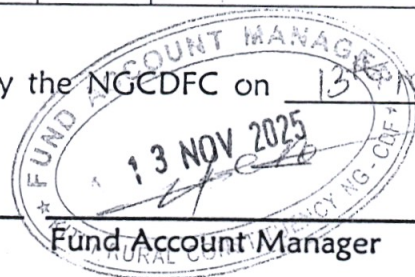
11. Statement of Financial Performance for the Year Ended 30th June 2025

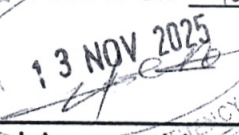
	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		-
Finance income	8	-
Miscellaneous income	9	333,000
Total revenue		170,802,857
Expenses		
Employee costs	10	2,571,594
Committee expenses	11	3,707,202
Use of Goods and Services	12	7,933,446
Other Government Units Actual expenditure	13	89,118,129
Other Grants and Transfers Actual expenditure	14	74,377,991
Depreciation and amortization expense	15	3,175,042
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		180,883,404
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	(-)
Surplus/(Deficit) for the year		(10,080,548)

The Constituency financial statements were approved by the NGCDFC on 13 November 2025 and signed by:


Chairman NG-CDF
Committee
Simon Munyoki


National Sub-County
Accountant
Alex Tinega
ICPAK M/No:17472




Fund Account Manager
Ezekiel Mwangangi

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

12. Statement of Financial Position as At 30th June, 2025

	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	83,114,268	82,280,393
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	19,469,857	26,795,897
Prepayments	22	102,518	-
Total Current Assets		102,686,643	109,076,290
Non-Current Assets			
Property, Plant and Equipment	23	21,216,287	24,391,329
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		21,216,287	24,391,329
Total Assets (A)		123,902,930	133,467,619
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	99,984	99,984
Lease Liabilities	28	-	-
Gratuity Provision	29	1,108,276	592,417
Total Current Liabilities		1,208,260	692,401
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,208,260	692,401
Net Assets (A-B)		122,694,670	132,775,218
Represented by:			
Revaluation Reserves		122,694,670	132,775,218
Accumulated Surplus		-	-
Total Net Assets		122,694,670	132,775,218

National Government Constituencies Development Fund (NGCDF)
Kitui Rural Constituency
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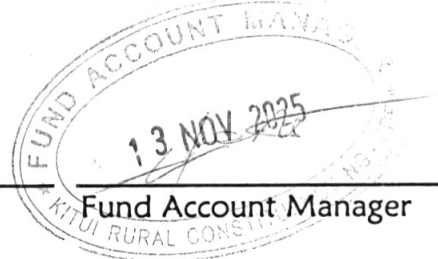
The Constituency financial statements set out on pages 1 to 26 approved by NG CDFC on 12th November 2025 and signed by:



Chairman NG-CDF
Committee
Simon Munyoki



National Sub-County
Accountant
Alex Tinega
ICPAK M/No:17472



Fund Account Manager
Ezekiel Mwangangi

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	8,316,463	-	8,316,463
Adjustments			
Recognition of Assets	124,558,739	-	124,558,739
Recognition of Liabilities	99,984	-	692,401
As at July 1, 2024	132,775,218	-	132,775,218
Surplus/(Deficit) For the Period	(10,080,548)	-	(10,080,548)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	122,694,670	-	122,694,670

Note:

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

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		177,795,897
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		333,000
Total Receipts		178,128,897
Payments		
Employee costs		2,055,735
Committee expenses		3,707,202
Use of Goods and Services		8,035,964
Other Government Units Certified Works		89,118,129
Other Grants and Transfers		74,377,991
Digital Hubs Expenses		-
Total Payments		177,295,022
Net Cash Flows from/ (used in) Operating Activities	30	833,875
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		833,875
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		833,875
Cash and cash equivalents at 1 July	19	82,280,393
Cash and cash equivalents at 30 June	19	83,114,268

(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)
Kitui Rural Constituency
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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	82,280,393	26,795,897	279,546,147	260,076,290	19,469,857	93
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	333,000	-	333,000		333,000	0
Totals	170,469,857	82,613,393	26,795,897	279,879,147	260,076,290	19,802,857	93
Expenses							
Employee costs	1,871,246	592,417	752,780	3,216,443	2,055,735	1,160,708	64

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Committee expenses	4,985,036		48,410	5,047,593	3,707,202	1,340,391	73
Use of Goods and Services	8,035,964		14,147	8,035,964	8,035,964	-	100
Other Government Units Certified Works	73,000,000	73,043,196	22,085,917	168,129,113	89,118,129	79,010,984	53
Other Grants and Transfers	80,627,611	2,739,597	3,874,679	87,241,887	74,377,991	12,863,895	85
Acquisition of Assets	1,500,000	-	-	1,500,000	-	1,500,000	0
Others	450,000	4,901,700	19,964	5,371,664	-	5,371,664	0
Digital Hubs Expenses	-	-	-	-	-	-	-
Funds Pending Approval**		1,336,483	-	1,336,483	-	1,336,483	0.00
Total Expenditure	170,469,857	82,613,393	26,795,897	279,879,147	177,295,022	102,584,125	63
Surplus for the period							

**National Government Constituencies Development Fund (NGCDF)
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Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects. During the financial year 2024/2025, the constituency had Kshs. 1,336,483 funds pending approval.

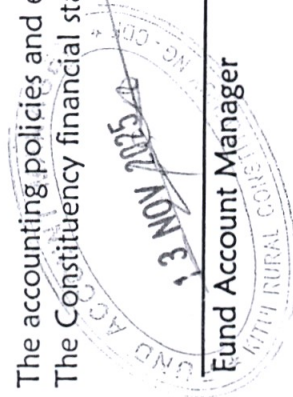
Explanatory Notes.

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

- a. **Employee costs**
The underutilization in employee costs was because of gratuity owing to staff within the year.
- b. **Committee expenses**
The underutilization in Committee expenses arose due to late disbursements of funds from the Board.
- c. **Other Government Units Certified Works**
The underutilization in other government was because of late disbursements of funds from the Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	102,584,125
Less undisbursed funds receivable from the Board as at 30 th June 2025	19,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	83,114,268

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 13th November 2025 and signed by:



Fund Account Manager

National Sub-County Accountant

Chairman NG-CDF Committee

Ezekiel Mwangangi

**Alex Tinega
ICPAK M/No:17472**

Simon Munyoki

National Government Constituencies Development Fund (NGCDF)

Kitui Rural Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	1,871,246	592,417.00	752,780	3,216,443	2,055,735	1,160,708
1.2 Committee allowances	3,688,391	18,811.44	-	3,707,202	3,707,202	-
1.3 Use of goods and services	4,218,514	-	-	4,218,514	4,218,514	-
Sub-total	9,778,151	611,228.44	752,780	11,142,159	9,981,451	1,160,708
2.0 Monitoring and evaluation						
2.1 Capacity building	2,869,300	-	-	2,869,300	2,869,300	-
2.2 Committee allowances	1,296,645	-	62,557	1,359,202	-	1,359,202
2.3 Use of goods and services	948,150	-	-	948,150	948,150	-
Sub-total	5,114,095	-	62,557	5,176,652	5,176,652	1,359,202
3.0 Emergency		-				

*National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Emergency Projects	8,972,097	-	-	1,174,281	10,146,378	2,200,346	7,946,032
Nguuni Mixed Secondary	-	8,389.00	8,389.00	-	8,389	-	8,389
Sub-total	8,972,097		8,389.00	1,174,281	10,154,767	2,200,346	7,954,421
3.1 Primary Schools	-	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-	-
Sub-total							
4.0 Bursary and Social Security							
4.1 Primary Schools	-	-	-	-	-	-	-
4.2 Secondary Schools	42,870,000	-	-	-	42,870,000	42,868,000	2,000
4.3 Tertiary Institutions	17,130,000	-	-	-	17,130,000	17,024,000	106,000
4.4 Universities	-	-	-	-	-	-	-
4.5 Social Security	-	-	-	-	-	-	-
Sub-total	60,000,000				60,000,000	59,892,000	108,000
6.0 Others	-	-	-	-	-	-	-

*National Government Constituencies Development Fund (NGCDF)
Kitui Rural Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sports	-	-	11,564	-	-	-
Sub Total	-	-	11,564	11,564	-	11,564
5.0 Climate Change Mitigation						
5.1						
Kavumbu Primary School	-	-	43	43	-	43
Ulungu Primary School	-	-	43	43	-	43
Kisavi Primary School	-	-	43	43	-	43
Kituki Mixed	-	-	43	43	-	43
Kalivini Primary School	-	-	43	43	-	43
Kyoani Primary School	-	-	43	43	-	43
NG CDF Office	-	-	54	54	-	54
Kitooneo Primary School	-	-	43	43	-	43
Kalala Primary School	-	-	43	43.00	-	43
			-	-	-	-
Grassroots Sensitization and Seedlings Production	2,454,514	-	-	2,454,514		2,454,514
Iani Primary School	181,000	-	-	181,000	181,000	-

National Government Constituencies Development Fund (NGCDF)
Kitui Rural Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Thome Primary School	181,000	-	-	181,000	181,000	-
Masaani Primary School	181,000	-	-	181,000	181,000	-
Ngamyone Primary School	181,000	-	-	181,000	181,000	-
Ngakaani Primary School	181,000	-	-	181,000	181,000	-
Katumba Primary School	181,000	-	-	181,000	181,000	-
Mbanaga Primary School	181,000	-	-	181,000	181,000	-
Ikave Secondary School	181,000	-	-	181,000	181,000	-
Yovovo Primary School	181,000	-	-	181,000	181,000	-
Kwa- kutu Primary School	181,000	-	-	181,000	181,000	-
Kimuuni Primary School	181,000	-	-	181,000	181,000	-
Kilamba Secondary School	181,000	-	-	181,000	181,000	-
Misuuni Primary School	181,000	-	-	181,000	181,000	-
Kitungate Primary School	181,000	-	-	181,000	181,000	-
Kilivi Primary School	181,000	-	-	181,000	181,000	-
Mwaani Primary School	181,000	-	-	181,000	181,000	-
Kavoo Primary School	181,000	-	-	181,000	800	180,200

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Malimbani Primary School	181,000	-	-	181,000	-	181,000
Nzambia Secondary School	181,000	-	-	181,000	-	181,000
Matu Primary School	181,000	-	-	181,000	-	181,000
Kisasi Deputy County Commissioner's Office	181,000	-	-	181,000	-	181,000
Sub-total	6,255,514	-	398	6,251,912	2,896,800	3,355,112
5.2						
Sub-total						
6.0 Primary Schools Projects (List all the Projects)						
6.1						
Kyoani Primary School	-	1,084,829	-	1,084,829	1,083,825	1,005
Thome Primary School	-	903,718	-	903,718	899,541	4,177
Kawongo Primary School	-	903,360	-	903,360	899,502	3,858
Ikave Primary School	750,000	1,000,320	-	1,750,320	999,600	750,720

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kyamusivi Primary School	-	2,001,265	-	2,001,265	1,999,810	1,455
Nzeve Primary School	-	1,001,857	-	1,001,857	999,420	2,437
Mukaini Primary School	-	2,000,000	-	2,000,000	1,984,919	15,081
Usengyo Primary School	-	801,004	-	801,004	799,750	1,254
Ngamyone Primary School	-	1,000,390	-	1,000,390	1,000,150	240
Mukameni Primary School	-	1,000,776	-	1,000,776	998,850	1,926
Itooma Primary School	500,000	1,001,808	-	1,501,808	999,751	502,056
Kitooni Primary School	-	807,195	-	807,195	799,886	7,309
Kavumbuni Pri School	500,000	1,024,409	-	1,524,409	1,000,536	523,873
Kithiiani Primary School	-	1,001,915	-	1,001,915	891,913	110,002
Yamunyu Primary School	-	1,008,840	-	1,008,840	999,626	9,214
Kwa Kyee Primary School	-	1,487,313	-	1,487,313	1,474,266	13,047
Katwala Primary School	-	1,003,642	-	1,003,642	1,002,475	1,167
Kathemboni Primary School	-	1,000,620	-	1,000,620	999,204	1,416
Kanyonyoo Primary School	-	1,004,118	-	1,004,118	1,000,000	4,118

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mwangeni Primary School	-	1,000,420	-	1,000,420	999,601	820
Kyangi Primary School	-	502,680	-	502,680	474,371	28,309
Ikota Mwithe Primary	1,600,000	1,280	-	1,601,280	-	1,601,280
Ilovi Primary	-	1,600,066	-	1,600,066	1,598,160	1,906
Ituki Primary	-	17,177	-	17,177	-	17,177
Iviani Primary	800,000	993	-	800,993	-	800,993
Kalima Primary	-	1,227,339	-	1,227,339	1,224,100	3,239
Kalivini Primary	-	1,236	-	1,236	-	1,236
Kalulini Primary	-	419	-	419	-	419
Kamanyi Primary	-	10,179	-	10,179	-	10,179
Kangaatu Primary	-	112,567	-	112,567	-	112,567
Kangala Primary	-	508,646	-	508,646	-	508,646
Kathome Primary	-	870,643	-	870,643	868,605	2,038
Katothya Primary	-	1,710	-	1,710	-	1,710
Katumba Primary	-	851,585	-	851,585	849,751	1,834
Kavasya Primary	-	160,913	-	160,913	159,938	975
Kavonge Primary	500,000	24,120	-	524,120	-	524,120

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kavoo Primary	-	2,553	-	2,553	-	2,553
Kavumbu Primary	500,000	1,008,440	-	1,508,440	999,641	508,799
Kiimani Primary	1,000,000	663	-	1,000,663	-	1,000,663
Kilivi Primary	-	1,179	-	1,179	-	1,179
Kisavi Primary	-	1,000,483	-	1,000,483	999,525	958
Kisayani Primary	-	1,905	-	1,905	-	1,905
Kitamaa Primary	-	1,601,212	-	1,601,212	1,600,001	1,211
Kitooneo Primary	550,000	1,458	-	551,458	-	551,458
Kitungate Primary	-	-745	3,000	2,255	76	2,178
Kivuuni Primary	-	1,601,367	-	1,601,367	1,599,513	1,854
Konza Primary	-	909	-	909	-	909
Kwa Kasau Primary	1,600,000	1,042	-	1,601,042	-	1,601,042
Kwa Kilya Primary	-	990	-	990	-	990
Kwa Kutu Primary	-	301,400	-	301,400	299,751	1,649
Kwa Vonza Primary	-	1,000,549	-	1,000,549	999,905	644
Kyaithani Primary	-	756,068	-	756,068	749,998	6,070
Kyuluni Primary	750,000	1,649	-	751,649	-	751,649

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kyunduani Pr-Kanyongonyo	-	187	-	187	-	187
Kyunduani Primary-Kalulini	-	1,001,459	-	1,001,459	999,860	1,599
Maito Primary	-	753,935	-	753,935	750,000	3,935
Maiyuni Primary	-	0	-	-	-	-
Makukani Primary	-	177	-	177	-	177
Maliku Primary	-	1,032,432	-	1,032,432	981,341	51,091
Malimbani Primary	-	2,275	-	2,275	-	2,275
Matulani Primary	-	33,712	-	33,712	-	33,712
Mavindini Primary	800,000	16,455	-	816,455	-	816,455
Mbeetwani Primary	-	1,867	-	1,867	-	1,867
Mbitini Primary	750,000	-708	-	749,292	82	749,209
Mbitini Primary-Kanyonyoo	-	750,138	-	750,138	583,704	166,434
Mukundi Primary	-	410,149	-	410,149	408,695	1,454
Muselele Primary	-	2,920	-	2,920	-	2,920
Musingi Primary	600,000	2,811	-	602,811	-	602,811
Muvyani Primary	-	3,550	-	3,550	-	3,550

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mwiwe Primary	-	1,004,352	-	1,004,352	999,800	4,552
Ndokeani Primary	-	1,001,272	-	1,001,272	999,840	1,432
Ngakaani Primary	-	50,440	400,000	450,440	399,725	50,715
Ngangani Primary	1,350,000	4,210	-	1,354,210	-	1,354,210
Ngiluni Primary	-	795,427	-	795,427	735,025	60,402
Ngovu Primary	-	2,092	-	2,092	-	2,092
Nzeveni Primary	-	477,179	-	477,179	475,345	1,834
Tanganyika Primary	-	4,731	-	4,731	-	4,731
Ulungu Primary	-	1,006,581	-	1,006,581	999,350	7,231
Ungaatu Primary	-	927,172	-	927,172	924,555	2,617
Utawala Primary	1,600,000	1,614	-	1,601,614	-	1,601,614
Waivumbu Primary	750,000	1,030	-	751,030	-	751,030
Wayani Primary	-	1,002,935	-	1,002,935	999,495	3,440
Wingoo Primary	-	801,074	-	801,074	799,960	1,114
Wumu Primary	-	2,134	-	2,134	-	2,134
Yovovo Primary	-	953,689	-	953,689	949,890	3,799
Hon. Mutisya Primary	-	1,269	-	1,269	-	1,269
Kyamboo Primary	-	1,012,786	-	1,012,786	999,360	13,426

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kyenze Primary	-	23,459	-	23,459	21,259	2,200
Kyuasini Primary	-	132,247	-	132,247	129,281	2,967
Ndwila Primary School	1,000,000	5,800	-	1,005,800	-	1,005,800
Iliani Primary School	-	-937	-	(937)	-	(937)
Isovyia Primary School	-	1,971	-	1,971	-	1,971
Itulani Primary School	-	2,049	-	2,049	-	2,049
Kalala Primary School	-	1,579	-	1,579	-	1,579
Kavisuni Primary School	450,000	1,687	-	451,687	-	451,687
Kikuuni Primary School	-	433	-	433	-	433
Kilamba Primary School	-	4,394	-	4,394	-	4,394
Kiliko Primary School	-	136	-	136	-	136
Kwa-Kitungu Primary School	-	83,062	-	83,062	82,860	202
Kyamungi Primary School	-	1,866	-	1,866	-	1,866
Malatani Primary School	-	3,190	-	3,190	-	3,190
Mamole Primary School	-	578	-	578	-	578
Mbananga Primary School	-	1,299,684	-	1,299,684	1,298,420	1,264

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Muambani Primary School	-	1,022	-	1,022	-	1,022
Mumbe Primary School	-	430	-	430	-	430
Ngomoni Primary School	-	700	-	700	-	700
Muvitha Primary School	750,000	2,857	-	752,857	-	752,857
Konza Primary School	-	909	-	909	-	909
Kwa kilui Primary School	700,000	378	-	700,378	-	700,378
Kisauni Primary School	450,000	130.	-	450,130	-	450,130
kilumya Primary School	750,000	2,835	-	752,835	-	752,835
Kamulu Primary School	750,000	470	-	750,470	-	750,470
Kilisa Primary School	-	-3	-	(3)	-	(3)
Ngulilu Primary School	-	862	-	862	-	862
Nguuni Primary School		477,461	-	477,461	474,549	2,912
Seekea Primary School	1,250,000	488,925	-	1,738,925	474,761	1,264,164
Usang'a Primary School	800,000	4,670	-	804,670	-	804,670
Kaoundu Primary School	-	116,513	-	116,513	99,910	16,603
Makolongo Primary School	-	10,641	2,000,000	2,010,641	1,999,400	11,241
Kisasi Primary School	2,100,000	20,426	2,000,000	4,120,426	1,998,957	2,121,469

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kangu Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Masimba Primary School	800,000	164	-	800,164	-	800,164
Nthilani Primary School	1,000,000	1,000	-	1,001,000	-	1,001,000
Kitukuni Primary School	1,000,000	134	-	1,000,134	-	1,000,134
Kimuuni Primary School	1,000,000	830	-	1,000,830	-	1,000,830
Kyosini Primary School	800,000	520	-	800,520	-	800,520
Mukelenzuni Primary School	800,000	30,533	-	830,533	-	830,533
Kinyau Primary School	800,000	1,780	-	801,780	-	801,780
Kalatine Primary School	800,000	1,025	-	801,025	-	801,025
Mandalwa Primary School	500,000	2,037	-	502,037	-	502,037
Maangani Primary School	600,000	12,731	-	612,731	-	612,731
Manzini Primary School	750,000	4,016	-	754,016	-	754,016
Mikuyuni Primary School	750,000	20	-	750,020	-	750,020
Sub-total	34,500,000	51,017,024.47	4,403,000	89,920,024	53,841,384	36,078,640

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.2						
6.3						
Sub-total						
7.0 Secondary Schools Projects (List all the Projects)						
7.1						
Mandongoi M Sec-Sch	-	2,502,371	-	2,502,371	2,499,241	3,129
Ngomoni Mixed Sec-School	-	1,575,824	-	1,575,824	1,571,895	3,929
Kalatine Mixed Sec-School	-	2,000,844	-	2,000,844	1,999,607	1,237
Mosa Mixed Sec-School	-	3,207,998	5,295,897	8,503,895	8,495,000	8,895
Hon. Mwalika M Sec-Kilevi	-	2,000,842	-	2,000,842	1,999,800	1,042
Charity Mixed Sec-Kilamba	-	1,267,143	-	1,267,143	1,177,336	89,807
Kimuuni Mixed Sec-School	-	800,226	-	800,226	800,165	61
Nyanyaa Mixed Sec-Sch	-	712	8,500,000	8,500,712	8,495,000	5,712

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Ilika Secondary	-	1,644	-	1,644	-	1,644
Kavisuni Mixed Secondary	8,500,000	58,638	700,000	9,258,638	699,681	8,558,956
Masaani Mixed Secondary	-	1,065	-	1,065	-	1,065
St. Paul Kwa Vonza Secondary	-	2,991	-	2,991	-	2,991
Iiani Mixed Secondary	-	12,600	-	12,600	-	12,600
Kalulini Mixed Secondary	-	2,850	-	2,850	-	2,850
Kyangi Boys Secondary	1,000,000	4,474	-	1,004,474	-	1,004,474
Kivuuni Mixed Secondary	-	28	-	28	-	28
Kyaithani Mixed Secondary	2,500,000	8,705	-	2,508,705	-	2,508,705
Mbitini Mixed Secondary	-	1,739	-	1,739	-	1,739
Ngiluni Secondary	-	5,606	-	5,606	-	5,606
Hon.Charcles Nyamai Muvitha Sec	-	85,379	-	85,379	180	85,199
Ikave M Sec School	-	1,449	-	1,449	-	1,449
Ituki Mixed Secondary School	-	2,002,056	-	2,002,056	1,999,795	2,261

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kanzau Mixed Secondary	-	5,564	-	5,564	-	5,564
Kitungati Mixed Sec School	8,500,000	9,271	-	8,509,271	-	8,509,271
Masimba M Secondary	-	105	-	105	-	105
Tanganyika Mixed Sec School	-	0	-	-	-	-
Kawongo M Sec School	-	24,528	-	24,528	-	24,528
Lower Yatta Girls	-	400,172	-	400,172	-	400,172
Mbitini Complex High School	-	2,502,000	-	2,502,000	2,499,717	2,283
Hon. Mwalika Ipc Kamulu	-	3,838	-	3,838	-	3,838
Matu Mixed Secondary	500,000	2,313,913	687,020	3,500,933	1,854,068	1,646,865
Maangani Sec School	-	3,050	2,500,000	2,503,050	1,185,260	1,317,790
Kavumbuni Mixed SS	2,500,000	5,484	-	2,505,484	-	2,505,484
Ungaatu Mixed SS	2,500,000	62	-	2,500,062	-	2,500,062
Mamole Secondary School	2,500,000	848	-	2,500,848	-	2,500,848
Mwizengi Secondary School	2,000,000	1,000,440	-	3,000,440	-	3,000,440

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kilinyaa Secondary School	2,500,000	1,889	-	2,501,889	-	2,501,889
Kanyangi Girls Secondary School	3,000,000	205,776	-	3,205,776	-	3,205,776
Kanyongonyo M Sec Sch	2,500,000	4,053	-	2,504,053	-	2,504,053
Sub-total	38,500,000	22,026,172.02	17,682,917	78,209,089	35,276,745	42,932,344
8.0 Tertiary institutions Projects (List all the Projects)						
8.1	-	-	-	-	-	-
8.2	-	-	-	-	-	-
8.3	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
9.0 Security Projects						
9.1	-	-	-	-	-	-
Acc Office Kanyangi	-	902,890	-	902,890	899,985	2,905
Kalulini Chiefs Office	-	500,600	-	500,600	498,799	1,801

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mosa Chief's Office	-	300,000	-	300,000	299,481	519
Nyanyaa Ass Chiefs Office	-	300,529	-	300,529	299,600	929
Nzambia Chiefs Office	-	40,413	-	40,413	-	40,413
Kanzau Ass Chiefs Office	-	237	-	238	-	238
Mukameni Ass Chiefs Office	-	497	-	498	-	498
Kithiani Assistant Chiefs' Office	-	24	-	24	-	24
Ndunguni A/ Chiefs' Office	-	52	-	52	-	52
Kwa Vonza Police Station	-	548,718	-	548,718	547,700	1,018
Kavisuni A Police Post	-	-	-	-	-	-
Kawongo Ap Line	-	1,925	-	1,925	-	1,925
Kanyonyoo Police Station	-	800	-	800	-	800
Kisasi Police Station	3,000,000	16,610	-	3,016,610	-	3,016,610
Kanyongonyo Ap Line	-	800	-	800	-	800
TANGANYIKA ASS CHIEF	-	-	700,000	700,000	698,720	1,280
KATHOME ASS CHIEF	-	-	700,000	700,000	699,560	440
Kaw'ongo Chief's Office	600,000	-	-	600,000	-	600,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kanyonyoo chiefs office	-	-	1,000,000	1,000,000	-	1,000,000
Iani AP line	-	-	300,000	300,000	-	300,000
Hon .Mutisya Ass.Chief Office	600,000	-	-	600,000	-	600,000
Mandongoi Assist Chief's Office	600,000	-	-	600,000	-	600,000
Masaani Assist Chief's Office	600,000	-	-	600,000	-	600,000
Sub-total	5,400,000	2,614,096	2,700,000	10,714,096	3,943,845	6,770,251
10.0 Acquisition of assets	-	-	-	-	-	-
10.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
10.2 Construction of CDF office	1,500,000	-	-	1,500,000	-	1,500,000
10.3 Purchase of furniture and equipment	-	-	-	-	-	-
10.4 Purchase of computers	-	-	-	-	-	-
10.5 Purchase of land	-	-	-	-	-	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	1,500,000	-	-	1,500,000	-	1,500,000
11.0 Digital Hubs	-	-	-	-	-	-
(Itemize as per the code list)	-	-	-	-	-	-
Sub total	-	-	-	-	-	-
12.0 Others	-	-	-	-	-	-
12.1 Strategic Plan	450,000.00	-	8,400	458,400	445,000	13,400
12.2 Rerec	-	5,000,000	-	5,000,000	5,000,000	-
Sub total	450,000	5,000,000	8,400	5,458,400	5,445,000	13,400
13.0 Funds pending approval**	-	-	-	-	-	-
13.1 Unapproved projects	-	-	-	-	-	-
13.2 AIA	-	1,336,483	-	1,336,483	-	1,355,294.44
13.3	-	-	-	-	-	-
Sub-total	-	-	-	-	-	1,355,294.44

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		1,336,483		1,336,483		
Total	170,469,857	82,613,393	26,795,897	279,879,147	177,295,022	102,584,125

(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 Kitui Rural Constituency principal activity is to finance socio-economic and infrastructure development 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 Kitui Rural 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 Kitui Rural 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.

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

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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 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. This IPSAS is applicable effective 1 st July,2025
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 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. This IPSAS is not applicable at the constituency.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. This IPSAS is applicable effective 1 st July,2025
IPSAS 46:	Applicable 1st January 2025

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Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> I. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. II. Clarifying transaction costs guidance to enhance consistency across IPSAS. III. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value. This IPSAS is applicable effective 1st July, 2025</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026 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. This IPSAS is applicable effective 1st July, 2026</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026 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. This IPSAS is not applicable this Financial Year.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026 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. This IPSAS is not applicable at the constituency.</p>
IPSAS 50: Exploration For & Evaluation of	<p>Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.

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Mineral Resources	<p>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. This IPSAS is not applicable at the constituency.</p>
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

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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.

Financial liabilities

Classification

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

g) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	170,469,857
Total	170,469,857

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

Description	2024/2025
	Kshs
Rental Income	333,000
Income from sale of tenders	-
Reversed Cheques	-
Other Income Not Classified Elsewhere (specify)	-
Total	333,000

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10. Employees cost

	2024/2025
	Kshs
NG-CDFC Basic staff salaries	1,714,891
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	515,859
Employer Contributions Compulsory national social security schemes	231,713
Employer Contributions Compulsory Housing levy	55,220
Employer contributions to National Industrial Training Authority	3,000
Other Specify (SHA)	50,911
Total	2,571,594

11. Committee Expenses

	2024/2025
	Kshs
Sitting allowance	1,005,000
Other Committee expenses	2,702,202
Total	3,707,202

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12. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	1,612,016
Communication, supplies and services	998,759
Domestic travel and subsistence	486,500
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	2,869,300
Hospitality supplies and services	500,000
Insurance costs	20,571
Specialized materials and services	100,000
Office and general supplies and services	-
Fuel, oil & lubricants	1,000,000
Bank charges	-
Routine maintenance – vehicles and other transport equipment	346,300
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	7,933,446

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	53,841,384
Secondary Schools Actual expenditure	35,276,745
Tertiary Institutions Actual expenditure	-
Total	89,118,129

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14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	42,868,000
Bursary – tertiary institutions	17,024,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	3,943,845
Climate change mitigation projects	3,341,800
Emergency projects Actual expenditure	2,200,346
Roads projects Actual expenditure	-
Others specify	5,000,000
Total	74,377,991

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	3,175,042
Intangible Assets	-
Total	3,175,042

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank A/C No 0720261934286 (Operations account)	26,518,773	8,335,274.44
Operations account pending closure (Indicate name & account no.)	-	-
Equity Bank A/C No 0720285323138 (Deposit account)	1,108,276	592,417.00
Equity Bank, Various(as per annex 2) (PMC accounts)	55,487,219	73,352,701
Total	83,114,268	82,280,393
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
(provide cash count certificates for each)		

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(A schedule of all reconciled PMC bank balances as at the end of the period is annexed)

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	0%
Between 1- 2 years	-	-	-	0%
Between 2-3 years	-	-	-	0%
Over 3 years	-	-	-	0%
Total (a+b)	-	-	-	0%

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	19,469,857.00		26,795,897	
Outstanding imprest	-		-	
Total	19,469,857.00		26,795,897	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
	19,469,857	100%	26,795,897	100%
	Less than 1 year	-	0%	-
	Between 1-2 years	-	0%	-
	Over 3 years	-	0%	-
Total	19,469,857	100%	26,795,897	100%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	102,518		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (Specify)	-		-	
Total	102,518.		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		10%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	20,459,033	6,255,506	1,470,365	-	-	-	28,184,904
Additions	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	-	-	-	(-)	(-)	(-)
Transfer/Adjustments	(-)	(-)	-	-	(-)	(-)	-	(-)
As At 30 th June 2025	-	20,459,033	6,255,506	1,470,365	-	-	-	28,184,904
Depreciation And Impairment								
Opening Depreciation		2,045,903	1,563,877	183,796	-	-		3,793,575
Depreciation	-	1,841,313	1,172,907	160,821	(-)	(-)	-	3,175,042
Disposals	-	-	-	-	-	-	-	-
Impairment	-	(-)	(-)	-	-	(-)	-	(-)
Transfer/Adjustment	-	-	(-)	(-)	-	(-)	(-)	-
As At 30 th June 2025		3,887,216	2,736,784	344,617	-	-	-	6,968,617
Net Book Values								
Opening Bal as at 1 st July 2024	-	18,413,130	4,691,630	1,286,569	-	-	-	24,391,329
As At 30 th June 2025	-	16,571,817	3,518,722	1,125,748	-	-	-	21,216,287

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Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	3,100,000	-	3,100,000
Buildings	20,459,033	-	20,459,033
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	6,255,506	-	6,255,506
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	1,470,365	-	1,470,365
Total	31,284,904	-	31,284,904

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

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

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24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As At 1 July 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-
As At 30 June 2024	-	-	-	-

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26. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	-		-	
Aging analysis: (Trade and other payables)	2024/2025	% of the Total	1 st July	% of the Total
Under one year	-	0%	-	0%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (tie to above total)	-		-	

27. Third-Party deposits

	2024/2025
	KShs
Retention as at 1 st July (A)	99,984
Retention held during the year (B)	6,845,078
Retention paid during the Year (C)	6,845,078
Closing Retention as at 30 th June 2025 D= A+B-C	99,984

Retentions aging analysis.

	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	99,984	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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28. Lease Liabilities

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025
	Kshs
Gratuity at the beginning of the year 1 st of July 2024	592,417
Gratuity held during the year	515,859
Gratuity paid during the year	(-)
Total Gratuity Provision 30th June (A+B-C)	1,108,276

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30. Cash Generated from Operations

	2024/2025
	Kshs
	(10,080,548)
Surplus/Deficit for the year	
Adjusted for:	
Depreciation	3,175,042
Impairment	-
Gains and losses on disposal of assets	(-)
Working capital adjustments	
Increase/decrease in receivables	7,223,522
Increase/decrease in payables	515,859
Net cash flow from operating activities	833,875

31. Financial Risk Management

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

i) Credit risk

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

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Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June, 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	19,469,857	19,469,857	-	-
Bank balances	26,518,773	26,518,773	-	-
Total	45,988,630	45,988,630	-	-
As at 30 June, 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	26,795,897	26,795,897	-	-
Bank balances	8,316,463	8,316,463	-	-
Total	35,112,360	35,112,360	-	-

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

Financial Risk Management

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

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ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June, 2025				
Trade payables	-	-	-	-
Current poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,108,276	1,108,276
Total	-	-	1,108,276	1,108,276
As at 30th June, 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	592,417	592,417
Total	-	-	592,417	592,417

iii) Market risk

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

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a) Foreign currency risk

The Entity has no 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.

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.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2024/2025			
Euro	10%	-	-
USD	10%	-	-
2023/2024			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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	30 June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	132,775,218	132,775,218
Retained Earnings	(10,080,548)	-
Capital Reserve	-	-
Total Funds	122,694,670	132,775,218
Total Borrowings	-	-
Less: Cash and Bank Balances	83,114,268	82,280,393
Net Debt/(Excess Cash And Cash Equivalents)	39,580,402	50,494,825
Gearing	0%	0%

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32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,707,202	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	177,795,897	-
Total	177,795,897	-

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	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

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Contingent Liabilities

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

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The Kitui Rural 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	3,100,000	-	-	3,100,000
Buildings and structures	20,459,033	-	-	20,459,033
Transport equipment	6,255,506	-	-	6,255,506
Office equipment, furniture, and fittings	-	-	-	-
ICT Equipment and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	1,470,365	-	-	1,470,365
Intangible assets	-	-	-	-
Total	31,284,904	-	-	31,284,904

(Attached a 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 asset)

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July,2024
Kyoani Primary School	Equity	0720272310041	1,005	1,084,829
Thome Primary School	Equity	0720278052371	4,177	903,718
Kawongo Primary School	Equity	0720270930907	3,858	903,360
Ikave Primary School	Equity	0720278912601	720	1,000,320
Kyamusivi Primary School	Equity	0720272224886	1,455	2,001,265
Nzeve Primary School	Equity	0720271304527	2,437	1,001,857
Mukaini Primary School	Equity	0720285534581	15,081	2,000,000
Usengyo Primary School	Equity	0720277913814	1,254	801,004
Ngamyone Primary School	Equity	0720277792562	240	1,000,390
Mukameni Primary School	Equity	0720279844274	1,926	1,000,776
Itooma Primary School	Equity	0720271048852	502,056	1,001,808
Kitooni Primary School	Equity	0720164353975	7,309	807,195
Kavumbuni Pri School	Equity	0720270897501	523,873	1,024,409
Kithiani Primary School	Equity	0720270802902	110,002	1,001,915
Yamunyu Primary School	Equity	0720278760031	9,214	1,008,840
Kwa Kyee Primary School	Equity	0720278930243	13,047	1,487,313
Katwala Primary School	Equity	0720271345099	1,167	1,003,642
Kathemboni Primary School	Equity	0720278908672	1,416	1,000,620

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July, 2024
Kanyonyoo Primary School	Equity	0720279322132	4,118	1,004,118
Mwangeni Primary School	Equity	0720279751678	820	1,000,420
Kanyangi Primary School	Equity	0720279286869	28,309	502,680
Ikota Mwithe Primary	Equity	0720279718686	1,601,280	1,280
Ilovi Primary	Equity	0720278350531	1,906	1,600,066
Ituki Primary	Equity	0720277787104	17,177	17,177
Iviani Primary	Equity	0720270821025	800,993	993
Kalima Primary	Equity	0720279209223	3,239	1,227,339
Kalivini Primary	Equity	0720282089099	1,236	1,236
Kalulini Primary	Equity	0720270775648	419	419
Kamanyi Primary	Equity	0720280795557	10,179	10,179
Kangaatu Primary	Equity	0720270786909	112,567	112,567
Kangala Primary	Equity	1670282097059	508,646	508,646
Kathome Primary	Equity	0720280846428	2,038	870,643
Katothya Primary	Equity	0720164136290	1,710	1,710
Katumba Primary	Equity	0720277984074	1,834	851,585
Kavasya Primary	Equity	0720280043854	975	160,913
Kavonge Primary	Equity	0720270897501	524,120	24,120
Kavoo Primary	Equity	0720297600880	2,553	2,553

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July,2024
Kavumbu Primary	Equity	0720279064254	508,799	1,008,440
Kiimani Primary	Equity	0720274034728	1,000,663	663
Kilivi Primary	Equity	0720269668937	1,179	1,179
Kisavi Primary	Equity	0720278894798	958	1,000,483
Kisayani Primary	Equity	0720270819181	1,905	1,905
Kitamaa Primary	Equity	0720270775189	1,211	1,601,212
Kitooneo Primary	Equity	0720278923892	551,458	1,458
Kitungati Primary	Equity	0720264080491	-822	-745
Kivuuni Primary	Equity	0720271001389	1,854	1,601,367
Konza Primary	Equity	0720278756545	909	909
Kwa Kasau Primary	Equity	0720270928891	1,601,042	1,042
Kwa Kilya Primary	Equity	0720282063965	990	990
Kwa Kutu Primary	Equity	0720278902148	1,649	301,400
Kwa Vonza Primary	Equity	0720278049117	644	1,000,549
Kyaithani Primary	Equity	0720278915643	6,070	756,068
Kyuluni Primary	Equity	0720278948538	1,649	1,649
Kyunduani Pr-Kanyongonyo	Equity	0720277796180	187	187
Kyunduani Primary-Kalulini	Equity	0720282739649	1,599	1,001,459
Maito Primary	Equity	0720270779676	3,935	753,935

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July,2024
Maiyuni Primary	Equity	0720270825136	-	-
Makukani Primary	Equity	0720278854563	177	177
Maliku Primary	Equity	0720277827586	51,091	1,032,432
Malimbani Primary	Equity	0720278924139	2,275	2,275
Matulani Primary	Equity	0720278902606	33,712	33,712
Mavindini Primary	Equity	0720270788251	816,455	16,455
Mbeetwani Primary	Equity	0720278655493	1,867	1,867
Mbitini Primary	Equity	0720263768682	-791	-708
Mbitini Primary-Kanyonyoo	Equity	0720271004773	166,434	750,138
Mukundi Primary	Equity	0720270807546	1,454	410,149
Muselele Primary	Equity	0720278151410	2,920	2,920
Musingi Primary	Equity	0720277747977	2,811	2,811
Muvyani Primary	Equity	0720278680820	3,550	3,550
Mwiwe Primary	Equity	0720264080733	4,552	1,004,352
Ndokeani Primary	Equity	0720277510315	1,432	1,001,272
Ngakaani Primary	Equity	0720278666506	50,715	50,440
Ngangani Primary	Equity	0720270794258	4,210	4,210
Ngiluni Primary	Equity	0720279009389	60,402	795,427
Ngovu Primary	Equity	0720278049366	2,092	2,092

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July,2024
Nzeveni Primary	Equity	0720278049612	1,834	477,179
Tanganyika Primary	Equity	0720282438828	4,731	4,731
Ulungu Primary	Equity	0720270794036	7,231	1,006,581
Ungaatu Primary	Equity	0720278563466	2,617	927,172
Utawala Primary	Equity	0720282638062	1,601,614	1,614
Waivumbu Primary	Equity	0720279065879	1,030	1,030
Wayani Primary	Equity	0720271148081	3,440	1,002,935
Wingoo Primary	Equity	0720270575971	1,114	801,074
Wumu Primary	Equity	0720278150545	2,134	2,134
Yovovo Primary	Equity	0720270787510	3,799	953,689
Hon. Mutisya Primary	Equity	0720270806496	1,269	1,269
Kyamboo Primary	Equity	0720270735782	13,426	1,012,786
Kyenze Primary	Equity	0720270735808	2,200	23,459
Kyuasini Primary	Equity	0720278862861	2,967	132,247
Ndwila Primary School	Equity	0720282491125	1,005,800	5,800
Iiani Primary School	Equity	0720264107091	-937	-937
Isovyia Primary School	Equity	0720270785906	1,971	1,971
Itulani Primary School	Equity	0720278216659	2,049	2,049
Kalala Primary School	Equity	0720279107785	1,579	1,579

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July,2024
Kavisuni Primary School	Equity	0720278455790	451,687	1,687
Kikuuni Primary School	Equity	0720270779095	433	433
Kilamba Primary School	Equity	0720278766131	4,394	4,394
Kiliko Primary School	Equity	0720278515882	136	136
Kwa-Kitungu Primary School	Equity	0720271650155	202	83,062
Kyamungi Primary School	Equity	0720162527601	1,866	1,866
Malatani Primary School	Equity	0720278863578	3,190	3,190
Mamole Primary School	Equity	0720278464047	578	578
Mbananga Primary School	Equity	0720279040546	1,264	1,299,684
Muambani Primary School	Equity	0720270790092	1,022	1,022
Mumbe Primary School	Equity	0720271424009	430	430
Ngomoni Primary School	Equity	0720280815683	700	700
Muvitha Primary School	Equity	0720278548443	2,857	2,857
Konza Primary School	Equity	0720278756545	909	909
Kwa kilui Primary School	Equity	0720278992540	378	378
Kisauni Primary School	Equity	0720280849783	450,130	130
kilumya Primary School	Equity	0720279301879	2,835	2,835
Kamulu Primary School	Equity	0720270897821	470	470
Kilisa Primary School	Equity	0720270819181	-3	-3

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July,2024
Ngulilu Primary School	Equity	0720270826702	862	862
Nguuni Primary School	Equity	0720278945221	2,912	477,461
Seekea Primary School	Equity	0720280044605	1,264,164	488,925
Usang'a Primary School	Equity	0720264085834	804,670	4,670
Kaoundu Primary School	Equity	0720278458788	16,603	116,513
Makolongo Primary School	Equity	0720277809221	11,241	10,641
Kisasi Primary School	Equity	0720278889890	2,121,469	20,426
Kangu Primary School	Equity	0720186520779	1,000,000	-
Masimba Primary School	Equity	0720270793259	800,164	164
Nthilani Primary School	Equity	0720279938201	1,001,000	1,000
Kitukuni Primary School	Equity	0720279059436	1,000,134	134
Kimuuni Primary School	Equity	0720270793259	1,000,830	830
Kyosini Primary School	Equity	0720280842045	800,520	520
Mukelenzuni Primary School	Equity	0720278522454	830,533	30,533
Kinyau Primary School	Equity	0720279016308	801,780	1,780
Kalatine Primary School	Equity	0720264066700	801,025	1,025
Mandalwa Primary School	Equity	0720275570534	502,037	2,037
Maangani Primary School	Equity	0720278146956	612,731	12,731
Manzini Primary School	Equity	0720264092251	754,016	4,016

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July, 2024
			750,020	20
Mikuyuni Primary School	Equity	0720278834039	3,129	2,502,371
Mandongoi M Sec-Sch	Equity	0720279336224	3,929	1,575,824
Ngomoni Mixed Sec-School	Equity	0720279014983	1,237	2,000,844
Kalatine Mixed Sec-School	Equity	0720279309091	8,895	3,207,998
Mosa Mixed Sec-School	Equity	0720279316685	1,042	2,000,842
Hon. Mwalika M Sec-Kilevi	Equity	0720278734898	89,807	1,267,143
Charity Mixed Sec-Kilamba	Equity	0720278914338	61	800,226
Kimuuni Mixed Sec-School	Equity	0720277454271	5,712	712
Nyanyaa Mixed Sec-Sch	Equity	0720277512497	1,644	1,644
Ilika Secondary	Equity	0720278984650	58,956	58,638
Kavisuni Mixed Secondary	Equity	0720278981585	1,065	1,065
Masaani Mixed Secondary	Equity	0720261705958	1,646,865	933
Matu Mixed Secondary	Equity	0720262338780	2,991	2,991
St. Paul Kwa Vonza Secondary	Equity	0720264085201	12,600	12,600
Iiani Mixed Secondary	Equity	0720264079698	2,850	2,850
Kalulini Mixed Secondary	Equity	0720279044885	1,004,474	4,474
Kyangi Boys Secondary	Equity	0720276009301	28	28
Kivuuni Mixed Secondary	Equity	0720279020027	8,705	8,705
Kyaithani Mixed Secondary	Equity	0720261754519		

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July,2024
Mbitini Mixed Secondary	Equity	0720262196680	1,739	1,739
Ngiluni Secondary	Equity	0720278504270	5,606	5,606
Hon.Charcles Nyamai Muvitha Sec	Equity	0720261708368	85,199	85,379
Ikave M Sec School	Equity	0720278547915	1,449	1,449
Ituki Mixed Secondary School	Equity	0720279122585	2,261	2,002,056
Kanzau Mixed Secondary	Equity	0720278612818	5,564	5,564
Kitungati Mixed Sec School	Equity	0720263803617	9,271	9,271
Masimba M Secondary	Equity	0720279060506	105	105
Tanganyika Mixed Sec School	Equity	0720197369296	-	-
Kawongo M Sec School	Equity	0720282252650	24,528	24,528
Lower Yatta Girls	Equity	0720279077124	400,172	400,172
Mbitini Complex High School	Equity	0720282008117	2,283	2,502,000
Hon. Mwalika Ipc Kamulu	Equity	0720279066241	3,838	3,838
Maangani Sec School	Equity	0720270833716	1,317,790	3,050
Kavumbuni Mixed SS	Equity	0720277821597	2,505,484	5,484
Ungaatu Mixed SS	Equity	0720278864462	2,500,062	62
Mamole Secondary School	Equity	0720278048554	2,500,848	848
Mwinzengi Secondary School	Equity	0720278864307	3,000,440	1,000,440
Kilinyaa Secondary School	Equity	0720278218303	2,501,889	1,889

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July, 2024
Kanyangi Girls Secondary School	Equity	0720279758570	3,205,776	205,776
Kanyongonyo M Sec Sch	Equity	0720279237846	2,504,053	4,053
Kanyangi Primary School	Equity	0720279286869	595	-
Itulani Primary School	Equity	0720278216659	500,000	-
Mandalwa Primary School	Equity	0720275570534	300,000	-
Ulungu Primary School	Equity	0720270794036	300,000	-
Mukameni Ass. Chiefs' Office	Equity	0720282203944	300,000	-
Ikave Mixed Secondary School	Equity	0720278547915	500,000	-
Nguuni Mixed Secondary School	Equity	0720277511077	508,389	8,389
Kavumbuni Pri Sch	Equity	0720270787071	500,000	-
Kisasi DCC Office	Equity	0720505087344	300,000	-
Acc Office Kanyangi	Equity	0720279759199	2,905	902,890
Kalulini Chiefs Office	Equity	0720185424293	1,801	500,600
Mosa Chief's Office	Equity	0720285523420	519	300,000
Nyanyaa Ass Chiefs Office	Equity	0720282064574	929	300,529
Nzambia Chiefs Office	Equity	0720282190664	40,413	40,413
Kanzau Ass Chiefs Office	Equity	0720282557424	238	238
Mukameni Ass Chiefs Office	Equity	0720282203944	498	498
Kithiani Assistant Chiefs' Office	Equity	0720184448834	24	24

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 1 st July,2024
Ndunguni A/ Chiefs' Office	Equity	0720184451705	52	52
Kwa Vonza Police Station	Equity	0720279130781	1,018	548,718
Kavisuni A Police Post	Equity	0720284431105	-	-
Kawongo Ap Line	Equity	0720279090148	1,925	1,925
Kanyonyoo Police Station	Equity	0720270055942	800	800
Kisasi Police Station	Equity	0720279424961	16,610	16,610
Kanyongonyo Ap Line	Equity	0720270055942	800	800
TANGANYIKA ASS CHIEF	Equity	0720285808140	1,280	-
KATHOME ASS CHIEF	Equity	0720285811225	440	-
KAWONGO CHF OFFICE	Equity	0720279090148	600,000	-
TOTAL			55,487,219	73,352,701

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Annex 3: Progress On Follow Up of Auditor Recommendations*

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/MRO/NGCDF-KIT RURAL/2023/2024/(20)	<p>Inaccuracies in compensation of employees The statement of receipts and payments as disclosed in note 4 to the financial statements reflect compensation of employee's amount of Kshs, 2,785,373. Included in the expenditure is NG CDFC basic salaries and employer contributions compulsory national social security schemes amounting to Kshs. 1,463,310 and Kshs.79, 601 respectively. However, supporting schedules reflected a total of Kshs.1, 546,768 and Kshs. 89,640 respectively, resulting in unexplained variances of Kshs.83, 458 and Kshs. 10,039 respectively. Further, review of documents revealed that an amount of Kshs.301, 549 was erroneously charged to compensation of employees instead of use of goods and services. In the circumstances, the accuracy and completeness of compensation of employees instead of use of goods and services</p>	<p>The financial statement was amended and the expenditures posted to the correct class of account thus reconciling the difference.</p>	<p>Not Resolved</p>	<p>The management is in consultations, with the OAG pending appearance before DFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/MRO/NGCDF-KIT RURAL/2023/2024/(20)	<p>Misclassification of expenditure The statement of receipts and payments as disclosed in note 8 to the financial statements reflect other grants and transfers amount of Kshs. 75,498,232. However, the following anomalies were noted</p>		Not Resolved	The management is in consultations, with the OAG pending appearance before DFAC
OAG/MRO/NGCDF-KIT RURAL/2023/2024/(20)	<p>Bursaries Included in other transfers is Kshs.38, 172,400 and Kshs.14, 664.978 in respect of bursary for secondary schools and tertiary institutions respectively. However, review of supporting documents revealed that expenditure includes use of goods and services expenses totaling Kshs. Which was erroneously charged to bursary expenses. No explanation was provided to justify the misclassification of transactions.</p>	The financial statement was amended and the expenditures posted to the correct class of account thus reconciling the difference.	Not Resolved	The management is in consultations, with the OAG pending appearance before DFAC
OAG/MRO/NGCDF-KIT RURAL/2023/2024/(20)	<p>Projects expenses Included under other grants and transfers is Kshs.22, 660,854 for security, sports, environment and emergency projects. Review of supporting documents revealed that the expenditure includes Kshs. 2,411,000 in respect of use of goods and services, committee</p>	The financial statement was amended and the expenditures posted to the	Not Resolved	The management is in consultations, with the OAG

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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)
	expenses and acquisitions of assets, which was erroneously charged to projects. No explanation was provided to justify the misclassification of transactions. In the circumstances, accuracy and completeness of other grants and transfers amount of Ksh. 75,498,232 could not be confirmed.	correct class of account thus reconciling the difference.		pending appearance before DFAC
OAG/MRO/NGCDF-KIT RURAL/2023/2024/(20)	<p>Emphasis of matter Budgetary control and performance The summary statement of appropriation reflects receipt budget and actual amounts on comparable basis of Kshs. 243,809,222 and Kshs.217, 013,325 respectively, resulting in under-funding of Kshs.26, 795,897 or approximately 11% of the approved budget.</p> <p>The under-funding may affect the implementation of the palnned activities and programs and may impact negatively on service delivery to the public My opinion is not modified in respect of this matter</p> <p>Key audit matters Key audit matters are those matters that, in my profession judgment, are of most significance in the audit of the financial statements .Except for the</p>	<p>The under expenditure of Kshs. 35,112,360 comprises an amount of Ksh 26,795,897 as funds not disbursed by the Board at the end of the year and the closing Cash book balance of Ksh 8,316,463.</p>	Not Resolved	The management is in consultations, with the OAG pending appearance before DFAC

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>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</p> <p>Other matter</p> <p>Unresolved prior year matters</p> <p>In the audit report of the previous year, several issues were raised under the report on financial statements and report on lawfulness and effectiveness in use of public resources. However, management has not explained the reasons for the failure to adhere to the provisions of the public sector accounting standards board template.</p>	<p>The late disbursement of funds leads to under absorption of funds, which affects the implementation of our programmes. The committee commits to ensure it has put in place measures that will ensure before the end of every financial year they have received full funding so that all projects and programmes for the year are done in time.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/MRO/NGCDF-KIT RURAL/2023/2024/(20)	<p>Project implementation status</p> <p>Review of the project status report as at 30 June, 2024 revealed that the fund allocated an amount of Kshs.113,524,344 for the implementation of ninety-three(93) projects. Out of ninety three (93), seventy seven (77) projects with an expenditure of Kshs. 72,074,344 had been completed while sixteen (16) projects worth Kshs 41,450,000 were ongoing as at the time of the audit in November 2024 management explained that the projects were not implemented on time due to delayed disbursement of funds by the board.</p> <p>In the circumstances, the constituents of Kitui rural constituency did not obtain value for money from the projects, which had not been completed.</p>	<p>The hard economic hardships in the country have negatively affected the disbursements of funds from the National Government resulting to slow implementation of projects. However, the funds were later released after the close of the financial year and some of the projects have been completed</p>	<p align="center">Not Resolved</p>	<p>The management is in consultations, with the OAG pending appearance before DFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		others are work in progress. The committee is monitoring their implementation to ensure they are done up to standards.		
OAG/MRO/NGCDF-KIT RURAL/2023/2024/(20)	<p>Irregularities in bursary disbursements</p> <p>The statement of receipts and payment reflects other grants and transfers amount of Kshs.75, 498,232 that, as disclosed in no. 8 of the financial statements includes Kshs.38, 172,400 and Kshs. 14,664,978 in respect of bursary-secondary schools and tertiary institutions respectively. The expenditure includes bursary disbursements totaling Kshs. 606,000 awarded to one hundred and fifty (150) students in the category of orphans and other special cases. The constituency development fund committee (CDFC) approved bursary allocation of Kshs.6, 000 per orphan and other special cases. However, review of bursary disbursement schedules for orphans and other special cases revealed seventy two (72) beneficiaries in college and</p>	<p>During vetting of bursaries, the committee as a matter of tradition develops criteria to be used for allocation of bursaries to needy students. However, in the case this case, high number of</p>	Not Resolved	The management is in consultations, with the OAG pending appearance before DFAC

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>polytechnics received Kshs. 3,000 each while seventy eight (78) beneficiaries in universities received Kshs. 5,000 each. No explanation was provided for non-compliance with the bursary award criteria. In the circumstances, the needy students did not benefit from the award of bursaries as provided by the constituency development fund committee.</p>	<p>applications resulted to the committee's resolution to lower prior allocation to enable the constituency meet the surplus demand hence for the special cases. Nevertheless, as and when the allocation of funds increases hopefully, the committee will endeavor to allocate more funds for bursaries thus considering those very special cases.</p>		

National Government Constituencies Development Fund (NGCDF)
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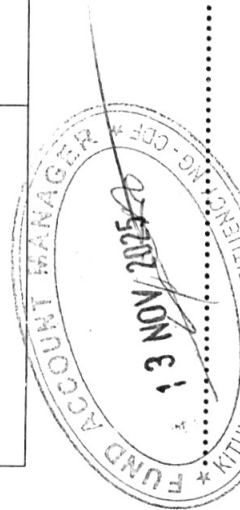
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/MRO/NGCDF-KIT RURAL/2023/2024/(20)	<p>Non-compliance with the reporting template</p> <p>Review of the financial statements revealed that the budget execution by sectors and projects reflects constituency oversight committee expenses totaling Kshs. 982,150. However, the amount was not classified and disclosed in the financial statements under committee expenses as required by the PSASB reporting template issued on 30 June 2024.</p>	<p>Oversight committee expenses as classified under committee expenses according to NG-CDF Act amended in December 2023 thus ceasing the same.</p> <p>Therefore, Ksh 982,150 was balance brought forward from previous year spent in the year under Audit.</p>	Not Resolved	The management is in consultations, with the OAG pending appearance before DFAC

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/MRO/NGCDF-KIT RURAL/2023/2024/(20)	<p>Unauthorized bursary expenses Budget execution by sectors and projects reflect bursary- secondary schools expenditure budget and actual amount of Kshs.37,754,642 and Kshs.38,172,400 respectively resulting in an over expenditure of Kshs.417,758 which had not been budgeted for. This is an indication of unauthorized payments. This is contrary to regulation 43(b) of the public finance management (national governments) regulations ,2015 which stipulates that an Accounting Officer shall exercise budgetary control measures to ensure that public funds entrusted to their care are properly safeguarded and are applied for purpose for only which they were intended and appropriated by national assembly.</p>	<p>The Committee in exercise of project During budgeting process, we normally give a forecast of the amount to be spend by each sector either secondary or tertiary institutions however during actual implementation period we may receive a higher number of applicants from either sector resulting to an over or under expenditure. The over expenditure of</p>	Not Resolved	The management is in consultations, with the OAG pending appearance before DFAC

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Ksh 417,758 was charged to bursary tertiary and the committee commits to do a proper forecast during the budgeting process in future to avoid such over expenditure.		



 Fund Account Manager.