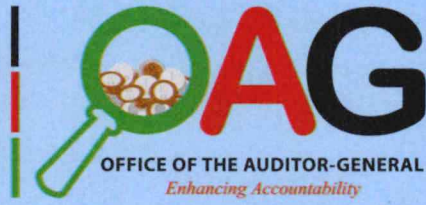



REPUBLIC OF KENYA



PARLIAMENT  
OF KENYA  
LIBRARY

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 13 NOV 2025	DAY: <u>Tuesday</u>
REPORT TABLED BY: Hon Eric Karanja MP	
CLERK-AT THE-TABLE: P Muiga	

OF

**THE AUDITOR-GENERAL**

ON

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
– RONGO CONSTITUENCY**

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

*Revised 30<sup>th</sup> June 2025*



---

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**RONGO CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

---

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

<b>Table of Contents</b>	<b>Page</b>
1. Acronyms and Definition of Key Terms .....	ii
2. Key Constituency Information and Management.....	iii
3. NGCDF Committee .....	viii
4. NG-CDFC Chairman’s Report .....	xi
5. Statement Of Performance Against Predetermined Objectives for FY2024/2025 .....	xviii
6. Governance Statement .....	xxii
7. Management Discussion and Analysis (MD&A) .....	xxxii
8. Environmental and Sustainability Reporting .....	xxxvi
9. Statement Of Management Responsibilities .....	xl
10. Report Of the Independent Auditor on the NGCDF- Rongo Constituency .....	xliv
11. Statement of Financial Performance for the Year Ended 30th June 2025 .....	1
12. Statement Of Financial Position As At 30th June, 2025.....	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025 .....	4
14. Statement Of Cash Flows for The Year Ended 30th June 2025 .....	5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025.....	6
16. Budget Execution by Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2025 .....	8
17. Notes to the Financial Statements .....	18
18. Annexes.....	53

## **1. Acronyms and Definition of Key Terms**

### **A. Acronyms**

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

### **B. Definition of Key Terms**

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

**Comparative Year-** Means the prior period.

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

## **2. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

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

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

### **Vision**

Equitable Socio-economic development countrywide.

### **Mission**

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

### **Core Values**

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

### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

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

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

#### **Fiduciary Management**

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

No	Designation	Name
1.	AIE holder	Enock O. Nyasende
2.	National Sub-County Accountant	Felix Emolem
3.	Chairman NGCDFC	Richard Onyango Ochieng
4.	Member NGCDFC	Domtila Chenangat Kitum
5.	Member NGCDFC	John Anjago Nyotong

#### **(c) Fiduciary Oversight Arrangements**

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

NG CDF Building  
Rongo Sub County Headquarters  
Rongo Township,  
Migori County-KENYA

**(e) NGCDF Rongo Constituency Contacts**

P.O. Box 542-40404  
Telephone: (254) 723362923  
E-mail: [cdfongo@ngcdf.go.ke](mailto:cdfongo@ngcdf.go.ke)  
Website: [www.ngcdfgo.ke](http://www.ngcdfgo.ke)

**(f) NGCDF Rongo Constituency Bankers**

1. **Operations A/C**  
Kenya Commercial Bank  
Branch: Rongo  
P.O. Box 266-40404
2. **Deposit A/C**  
Cooperative Bank of Kenya  
Branch: Rongo  
P.O. Box 560-40404
3. **PMC Accounts**  
Kenya Commercial Bank  
Branch: Rongo  
P.O. Box 266-40404

**(g) Independent Auditor**

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

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



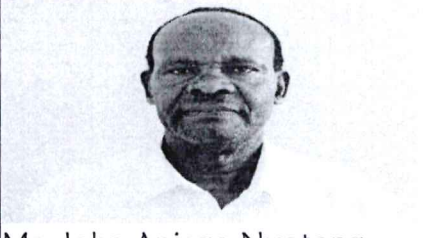

---

**(h) Principal Legal Adviser**




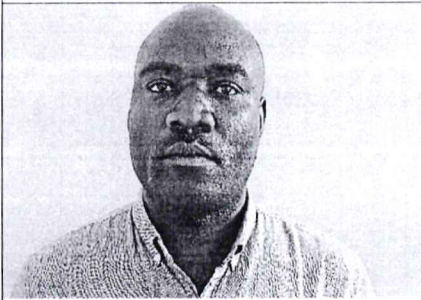
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

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

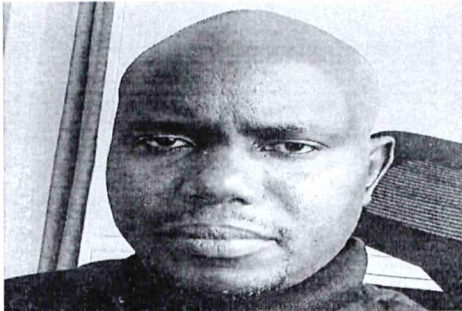
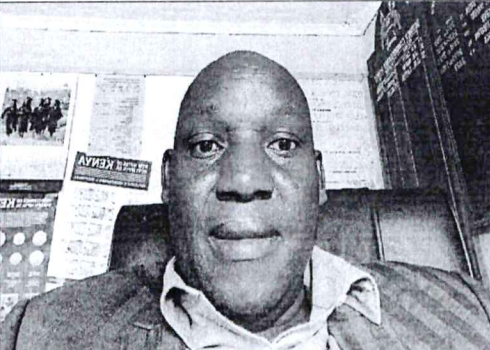
**3. NGCDF Committee**

Name	Details
 Chairman Mr. Richard Onyango Ochieng	D.O.B 31/12/1972, Academic Qualification; Fourth Form, Experience; Served as a Clerk in a Law Firm for the last 25yrs and a businessman. Additionally, he has been a NGCDF Committee member for 8yrs as chair of the monitoring and evaluation subcommittee.
 Secretary Mr. Kennedy Otieno Oyieko	D.O.B 11/12/1991, Academic Qualification Form Four; Experience; Has been running a Small-Scale Business and a Farmer. Additionally, he has been a NGCDF Committee member and Secretary of the committee for 8yrs.
 Mr. John Anjago Nyotong Member	D.O.B 07/07/1961, Academic Qualification; Fourth Form, Experience; Has served the NG CDF Committee for 8 yrs and a farmer
 Auma Moureen Member	D.O.B 1989, Academic Qualification Form Four; Experience; Community Mobiliser Farmers United and served the NGCDF Committee for 8yrs as Chairperson.

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

 <p>Pauline Awuor Odero Member</p>	<p>D.O.B 18/8/2003, Academic Qualification-Form Four Experience; Has been practicing sugarcane farming and owns a small scale grocery shop.</p>
 <p>Domtila Chenangat Kitum Member</p>	<p>D.O.B 20/12/1994 Academic Qualification-University Level- Experience; Community Mobiliser- Dream Girls, 3yrs, and a farmer.</p>
 <p>Peter Ouma Oketch Member-PWD</p>	<p>D.O.B 28/5/1995, Academic Qualification; Diploma in Teaching-PWD, Experience; has been attached at Kuja School for the Deaf and a maize farmer</p>
 <p>Bildad Omondi Orimba Member(Coopted)</p>	<p>D.O.B 28/01/1990, Academic Qualification; Form Four; Experience-Formerly at British Army Training Unit BATUK , a farmer and running of a small scale business</p>

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

 <p>Fund Account Manager Enock Ombui Nyasende</p>	<p>D.O.B: 21/03/1982 Academic Qualification; CPA(K), BBA-Finance Experience- 17yrs of experience in the private and public sector, serving FAM</p>
 <p>Deputy County Commissioner George O. Matundura</p>	<p>D.O.B: 10/06/1973 Academic Qualification: MSc Leadership and Governance, BA(Anthropology) Experience: 27 yrs as an Administrator, Currently serving as senior DCC Rongo</p>

**Those That Exited**

Meresa Nyakinye	Female Adult-Service 8 yrs
Edwin Moses Osuda	PWD Rep-Service 2 yrs
Maxwel Orina	Coopted Member -Service 8 yrs
Millicent Awuor Miyoka	Nominee Constituency Office- Service 8 yrs

#### **4. NG-CDFC Chairman's Report**



Mr Richard Onyango Ochieng  
Chairman

##### **Budget Performance**

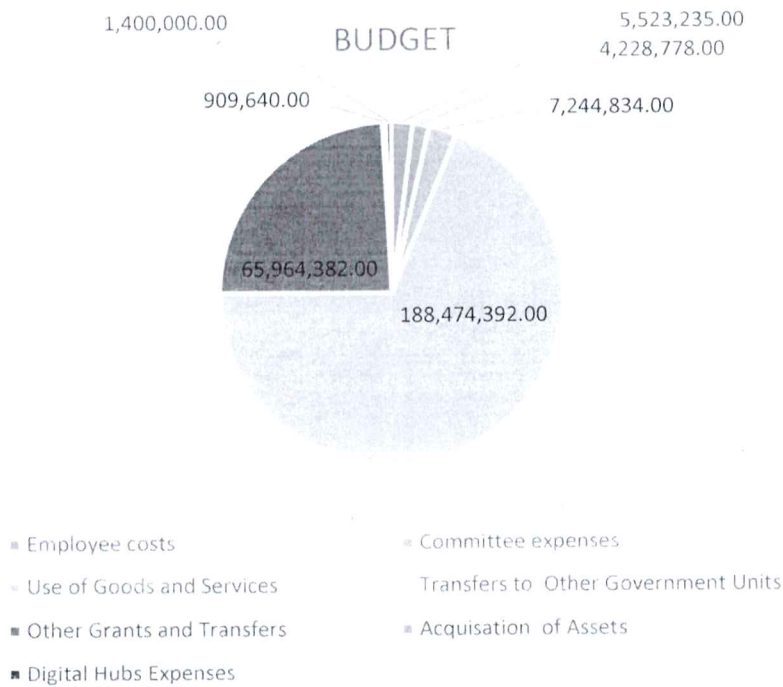
Once again it is that time of the year when, as per the law, we present to you the Financial Statements of Rongo NGCDF for the financial year 2024/2025.

The current team was inaugurated in May of 2025 and has been in office for 2months only.

However, in the financial year 2024/2025 the Constituency was allocated Kshs.170,475,857.00, balance brought forward from the previous financial year was Ksh. 53,479,251.00 and 2023/2024 outstanding disbursements was Ksh49,790,153.00 making the total budget for the year to be Ksh. 273,745,261.00.

Like in the recent past years, disbursements to the constituency have come late leading to delays in implementation of projects.

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



1. Transfers to other government units-68.85%
2. Use of goods and services – 2.65%
3. Other grants and transfers – 24.10%
4. Employee Costs 2.02%
5. Committee Expenses1.54%
6. Acquisition of Assets 0.33%
7. Digital Hubs 0.51%

The Constituency spent a total of Ksh168,032,946.00 out of a possible Ksh. 273,745,261.00 budgeted; representing 61.00% of the total funds. The under absorption was occasioned by a delay in receipt of funds from the NGCDF Board and requisite procedures before spending.

In the FY 2024/2025 we managed to implement most of the projects carried over from FY 2023/2024 with new notable projects being implemented. Among them are 26

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

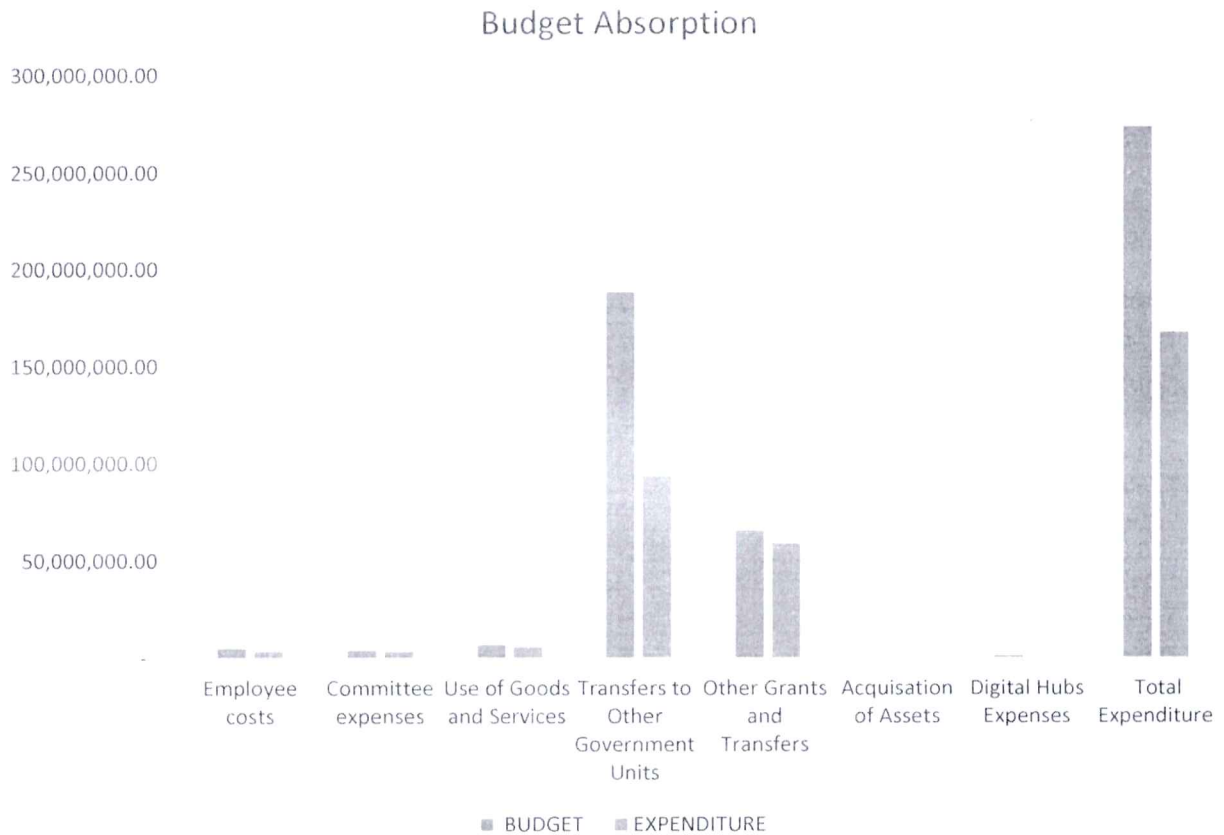
primary schools and 5 secondary schools funded to construct Administration Blocks & Classrooms.

During the FY 2024/2025, two thousand seven hundred and one secondary school students and three thousand five hundred and sixty-six tertiary students were awarded bursary in the year, one hundred and seventy-eight of them were on full scholarship.

The performance per sector was as follows:

Compensation of employees was 67.00 %, Committee Expenses 83.00% while Use of Goods and Services 84.00% and Transfer to Other Government Units registered 58.00% absorption rate. Other grants and other transfers registered an absorption rate of 95.00%, Acquisition of assets 100% while Digital Hubs registered 43.00% absorption.

Below is a representation of budget against expenditure in each sector.



## **Key Achievements**

Listed here below are a few flagship projects realised in the past one year. Through our collaborative efforts, the constituency made significant strides in its endeavours on enhancing education for all and reducing insecurity:

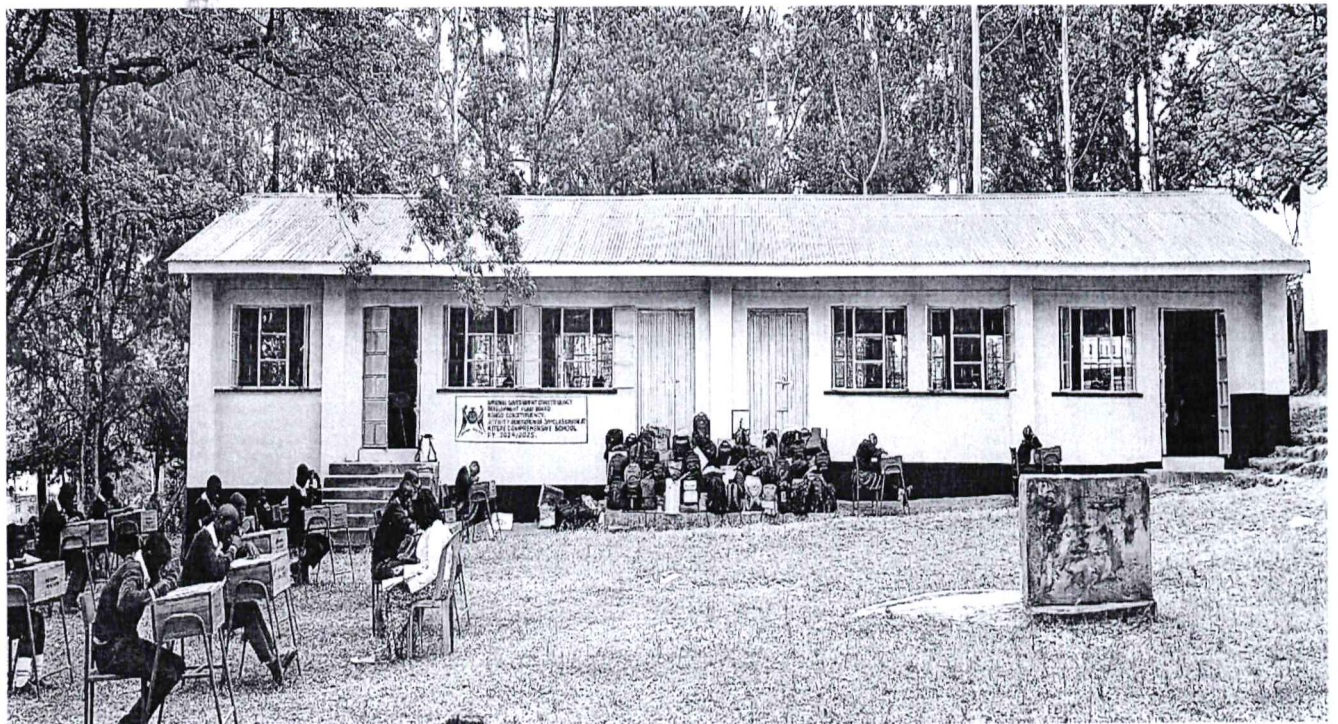
- 1. Rongo Mixed Sec School: Comprising Classrooms, Laboratories ,Staffrooms and Offices**



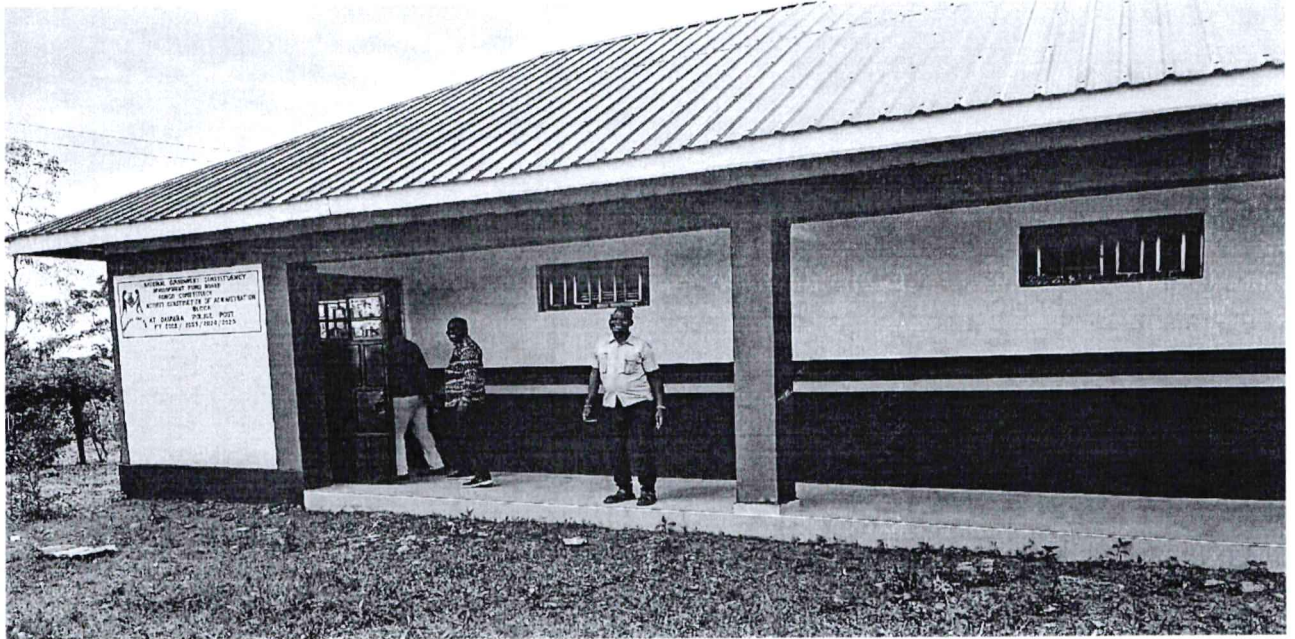
**2. Aila Primary School: Administration block**



**3. Kitere Primary School: Renovation of 3 No. Classrooms**



#### 4. Okumba Police Post: Administration Block



#### Emerging Issues

Rongo Constituency's utilization of the CDF funds has been instrumental in driving socioeconomic development and improving the quality of life for its residents. By strategically allocating funds, addressing challenges, and leveraging opportunities, the constituency has made significant strides towards achieving its development goals.

However new issues emerging in the community still impede the effective implementation of projects eg

- Persistent rising cost of building materials thereby affecting costs of projects.
- Lack of sustainable employment in the community
- Alcoholism and drug abuse is still on the rise leading to social vices
- Population density increasing at an alarming rate posing environment concerns

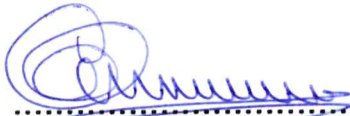
Insecurity as a result of increased population

### **Challenges**

Despite progress, challenges in project implementation persist, including budget constraints, delayed disbursements, delayed approval of some projects proposals and sustaining recurrent costs of running ICT Hubs.

### **Way forward**

Board needs to release funds in good time, secondly the Board needs to lobby for increase of funding to every constituency and finally the various institutions need to lobby for funding from other agencies including the NGOs to avoid overreliance on the NGCDF funding.



.....  
**Name: Richard Onyango Ochieng**  
**Chairman Rongo NG-CDF 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 the **NGCDF Rongo Constituency 2023-2028** plan are to enhance grassroots infrastructural and socio-economic development. This is done through community-identified projects that aim to alleviate poverty. The following strategic pillars of Education, Water and Environment, ICT, Tourism, Security, and Youth emerge as foundational elements that hold the potential to transform the fortunes of Rongo people.

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

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

Sector	Objective	Outcome	Indicator	Performance
Education	Enhance educational infrastructure	Enhanced learning environment	Number of labs and classrooms upgraded Number of schools with improved facilities	Over 80% of the schools in Rongo have improved facilities. The Building of Kanyimach Mixed Day Sec School and Completion of Kadianga JSS Laboratory is notable. A total of 26 primary

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

	Improve bursary and scholarship support	Increased educational support  Reduced financial barriers to education	System developed Number of students supported  Programs launched Parents and guardians reached	schools and 5 secondary schools Classrooms were complete as at 30 <sup>th</sup> June 2025  2701 No. secondary school students and 3561 tertiary students were awarded bursary in the year.178 of them were on full scholarship  The day secondary schools that target the most vulnerable in the community reported a decrease in dropout rates
Security	Modern Office Infrastructure  Strengthening Security Infrastructure  Safety through Environmental Measures  Technological Advancement and Digital Integration  Grassroots Security Collaborations  Workforce Motivation and	Improved administrative efficiency  Enhanced mobility for local administration  Quick and easy access to security services  Upgraded police infrastructure  Reduced crime rates  Digital transformation of local administration  Strengthened community-security relations  Increased	Number of new offices built  Number of motorbikes provided  Number of new police posts established  Upgrades completed in existing facilities  Number of floodlights installed  Extent of digitalization achieved  Level of community engagement  Number of rewards given	Okumba Police Station Administration Block including Armoury is completed and police are already deployed at the station.  Ochodororo Police Post supplied and installed water catchment equipment

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

	Support	motivation among security workforce		
Climate Change Mitigation activities	Enhance water resource management and accessibility  Promote afforestation and environmental rehabilitation	Efficient water collection and storage  Improved water access in schools and communities  Enhanced community access  Consistent water availability in schools  Improved environmental management  Increased environmental awareness and action  Improved tree cover and environmental health  Sustainable employment and environmental Preservation  Improved protection of water sources  Stabilized riverbanks and enhanced environmental Health	Number of schools assessed for rainwater harvesting  Number of tailored water distribution plans implemented  Number of boreholes drilled and kiosks Established  Schools with implemented water storage solutions  Number of environmental assessments conducted  Environmental activities conducted annually  Number of trees planted  Number of nurseries established  Number of educational sessions conducted  Annual riverbank projects completed	Tree seedlings were purchased, supplied and planted in the following 16 institutions: <ul style="list-style-type: none"> <li>a) Kameji Primary School</li> <li>b) Uriri Primary School</li> <li>c) Sumba Primary School</li> <li>d) Nyarach Primary School</li> <li>e) Arundo Primary School</li> <li>f) Kangeso Primary School</li> <li>g) Ofwanga Mixed Secondary School</li> <li>h) Central Kamagambo Chiefs Office</li> <li>i) Matagaro Primary School</li> <li>j) Kamondi Primary School</li> <li>k) Dago Kodero Primary School</li> <li>l) Kitembe Primary School</li> <li>m) Okumba Police Post</li> <li>n) Mitwe Primary School</li> <li>o) Kudho Primary School</li> <li>p) Nyaburu Primary School</li> </ul> And Biodigester installed at Marera Primary School

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

Emergency	To have interventions in emergency cases	Emergencies attended to.	Attend to emergencies arising in the constituency	The following projects were done to completion: Construction of 2 classrooms at Kosodo Primary School; Construction of 2 No. 4door pit latrines at Arundo Primary School; Renovation of 5No. Classrooms at Kuna Primary School; Construction Modern 8door pit latrine at Uriri Primary School and reroofing 5No. Classrooms & other repairs at Kondoro Primary School
ICT	Enhance ICT infrastructure and digital literacy	Enhanced digital access for communities  Supported digital commerce and transactions  Improved digital literacy and access  Improved service delivery and access to information  Community engagement and learning hubs  Enhanced support for education, research, and public services	Number of ICT hubs developed  Number of WiFi hotspots installed  ICT hubs launched tailored to local needs  Facilities equipped with internet and WiFi  Number of ICT centers constructed  Institutions with high-speed internet	Rongo Constituency has 4 No. Operational Digital Hubs, (South, East, Central and North Kamagambo Creative and Innovation hubs).

## **6. Governance Statement**

### **a. NG-CDFC process of appointment**

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

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

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

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

The current NGCDFC members were gazetted on 21/05/2025 and the first meeting was held in 27/05/2025.

The persons appointed are drawn from different groupings as follows:

	NAME	CATEGORY	<i>Statutory Provision Under NG-CDF Act</i>
1.	Richard Onyango Ochieng	Male Adult Rep.	Appointment, pursuant to Sec. 43 (2) (b)
2.	Kennedy Otieno Oyieko	Male Youth Rep.	Appointment, pursuant to Sec. 43 (2) (b)
3.	Domtila Chenangat Kitum	Female Youth Rep	Appointment, pursuant to Sec. 43 (2) (c)
4.	Auma Moureen	Female Adult Rep	Appointment, pursuant to Sec. 43 (2) (c)
5.	Peter Ouma Oketch	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)
6.	John Anjago Nyotong	Male Adult Rep.	Appointment Pursuant to Sect. 43 (2)(e)
7.	Pauline Awuor Odero	Female Adult Rep	Appointment Pursuant to Sect. 43 (2)(e)

**Nominee of the person representing persons with disability**

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	Peter Ouma Oketch	National Council Of People Living With Disability	Deformed Hands	South Kamagambo

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

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

S/N	Name	Gender	Ward
1.	Bildad Orimba	Male	East Kamagambo

The First NG-CDFC in augural meeting was held on 27<sup>th</sup> May, 2025. The members carried out an election for the position of a chairperson and the secretary of the committee. The following members were elected.

	NAME	POSITION	WARD
1	Richard Onyango Ochieng	Chairperson	Central Kamagambo
2	Kennedy Oyieko	Secretary	North Kamagambo

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

The Committees were constituted as follows:

**1. Bursary Sub-committee**

	NAME	POSITION
1.	Sub-County Director of Education	Chairperson
2.	Enock Nyasende-FAM	Secretary
3.	Domtila Chelangat Kitum	Member
4.	Moureen Auma	Member
5.	Pauline Awuor Odero	Member

**2. Complaint Handling & Resolution Sub-Committee**

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

---

No.	NAME	POSITION
1.	George Matundura-DCC	Chairperson
2.	Peter Ouma Oketch	Secretary
3.	Bildad Orimba	Member
4.	Pauline Awuor Odero	Member

**b. NG-CDFC Tenure**

The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

**c. The Role of the Constituency Committee**

Develops project proposals in consultation with wananchi through periodic ward level open forums, submits them to the NG-CDF Board for approval and facilitates the PMCs in the planning, implementation, and sustenance of the projects once completed at the Constituency level.

**d. Removal of a member**

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;
  - (f) causing disharmony within the committee;
  - (g) physical or mental infirmity.
- i. A decision to remove a member under subsection (13) shall be 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.

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

**e. NG-CDFC Induction and training**

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDFC Rongo.

**Number of meetings:**

NG-CDF Act Section 43 (6) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Rongo Constituency, the NG-CDF Committee conducted 20 meetings and 4 sub-committee meetings.

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

	Name of committee member	Meetings held(Current Committee)											
		30/06/2025	3/06/2025	27/05/2025									
1	Richard Onyango Ochieng-Chairman	✓	✓	✓									
2	Kennedy Otieno Oyioko Secretary	✓	✓	✓									
3	Enock O. Nyasende FAM	✓	✓	✓									
4	Domtila Chenangat Kitum Member	✓	✓	✓									
5	Auma Moureen Member	✓	✓	✓									
6	Peter Ouma Oketch Member PWD	✓	✓	✓									
7	John Anjogo Nyotong Member	✓	✓	✓									
8	Pauline Awuor Odero Member	✓	✓	✓									
9	Bildad Omondi Orimba-Member Coopted	✓	✓	✓									
10	George Matundura DCC	✓	✓	✓									

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

Name of committee member	Meetings held(Old Committee)											
1 Moureen Auma Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2 Kennedy Otieno Oyieko Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3 Enock O. Nyasende FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4 Millicent Awuor Miyoka-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5 John Anjago Nyotong Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6 Edwin Moses Osuda Member PWD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7 Richard Onyango Ochieng Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9 George Matundura DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10 Meresa Atieno Member												
11 Maxwel Orina Member - Coopted												

**f. Remuneration Rates**

Remuneration of Committee Members is guided by the NGCDF Board circulars and/or regulations issued from time to time. The prevailing rates are Ksh5,000.00 per sitting for members while the Chairperson earns Ksh7,000.00 for every sitting. Proof of attendance by way of a duly signed attendance register is mandatory. Officials of the NGCDF Board seconded to the constituency (FAM) does not qualify for the payment of sitting allowance.

The funds are taxed at the prevailing PAYE rates for secondary employees.

Additionally attendance of a subcommittee meeting, field visits, being out on official duty etc attracts a daily subsistence allowance, transport allowance, per diems etc as the case may be.

**g. Disclose the policy on conflict of interest** The Members are required to declare any conflict during meetings, which whenever declared, would be recorded in the minutes and in the register.

**h. Succession plan**

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

**i. Ethics and code of conduct**

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

**j. Risk Management**

The Rongo Constituency Development Fund (CDF) faces a range of risks that could impact its effectiveness, project delivery, and overall contribution to the constituency. Addressing these risks requires a structured approach to risk management, identifying potential issues, assessing their implications, and implementing strategies to mitigate them.

The constituency has deployed the following measure to mitigate the risks:

- ✓ Maintain and Update the Risk Register
- ✓ The risks are evaluated and measured periodically and appropriate action taken.
- ✓ A reporting mechanism to escalate any major concerns is also in place

## 7. Management Discussion and Analysis (MD&A)

### 7.1 Overview

Over the past five financial years (FY 2020/21 – FY 2024/25), the Rongo NG CDF has recorded consistent growth in allocations, maintained prudent funds management, and implemented projects aligned to its mandate and strategic plan. This period was marked by a stable macroeconomic environment until FY 2022/23 when inflationary pressures and foreign exchange volatility arising from the huge public debt coupled with difficulties of the general elections affected the economy. Nevertheless, the Fund maintained compliance with statutory requirements and continued delivering services to the community.

### 7.2 Operational and Financial Performance (FY 2020/21 – FY 2024/25)

**Table 1: Summary of Budgetary Allocations (KES Millions) & Absorption**

Financial Year	Allocation	Absorption
2020/21	137,527,879.00	100%
2021/22	137,088,879.00	100%
2022/23	138,215,033.00	100%
2023/24	166,593,720.00	100%
2024/25	170,475,856.74	61%

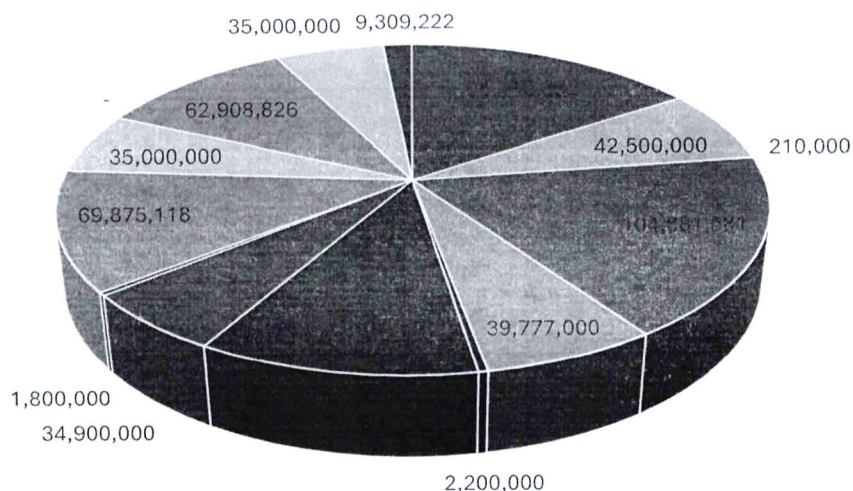
The table below further illustrates the expenditure performance of Rongo NG-CDF in the past five years

Financial Year	Sector	Budget	Expenditure
<b>2024/2025</b>	Education Projects	94,410,932	20,241,075
	Education bursary	42,500,000	39,000,000
	Secuty Projects	210,000	210,000
<b>2023/2024</b>	Education Projects	104,681,581	104,681,581
	Education bursary	39,777,000	39,777,000
	Secuty Projects	2,200,000	2,200,000

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

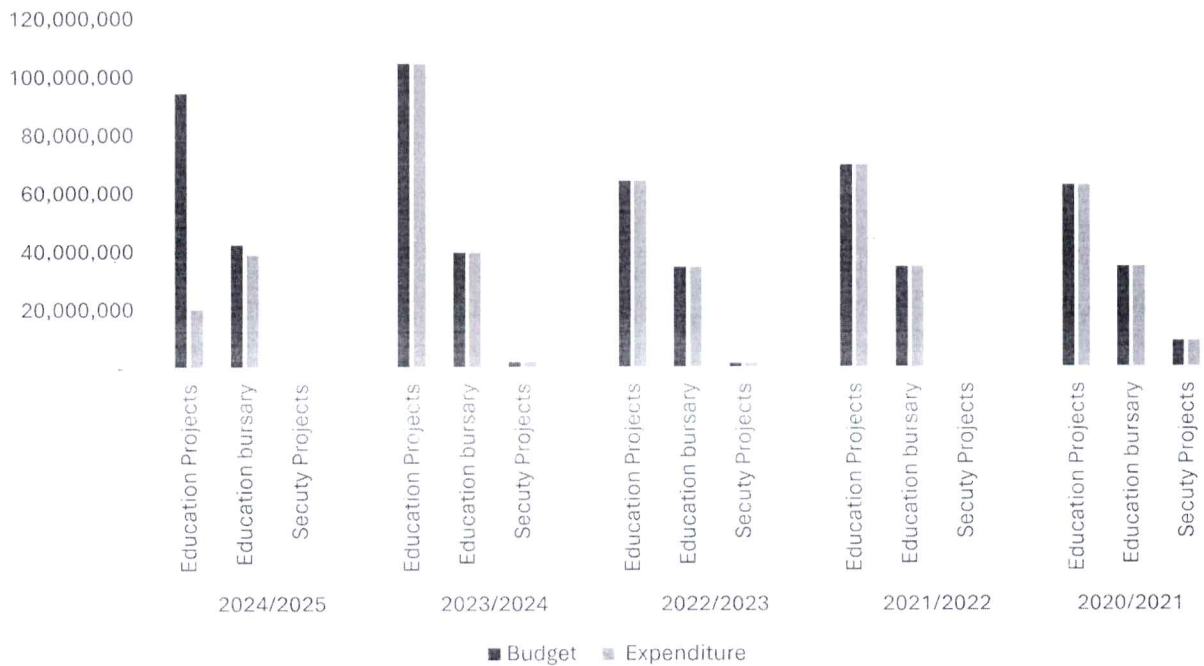
<b>2022/2023</b>	Education Projects	64,338,738	64,338,738
	Education bursary	34,900,000	34,900,000
	Secuty Projects	1,800,000	1,800,000
<b>2021/2022</b>	Education Projects	69,875,118	69,875,118
	Education bursary	35,000,000	35,000,000
	Secuty Projects	-	-
<b>2020/2021</b>	Education Projects	62,908,826	62,908,826
	Education bursary	35,000,000	35,000,000
	Secuty Projects	9,309,222	9,309,222

**Budgetary Allocations & Absorption over past five years**



- 2024/2025 Education Projects ■ 2024/2025 Education bursary ■ 2024/2025 Secuty Projects
- 2023/2024 Education Projects ■ 2023/2024 Education bursary
- 2023/2024 Secuty Projects ■ 2022/2023 Education Projects
- 2022/2023 Education bursary ■ 2022/2023 Secuty Projects ■
- 2021/2022 Education Projects ■ 2021/2022 Education bursary ■ 2021/2022 Secuty Projects
- 2020/2021 Education Projects ■ 2020/2021 Education bursary
- 2020/2021 Secuty Projects

**Budgetary Allocations & Absorption over past five years**



**7.3 Key Projects Implemented/Ongoing**

**1. Infrastructure Development: Key Highlights**

- Construction of Storey Tuition/Administration Blocks in the following Schools Rongo Mixed Sec School, Kanyimach Mixed Day Sec School, Ngodhe Mixed Secondary School and Opapo Mixed Secondary School to take care of the bulging school going population.
- Construction of Okumba Police Post and Improvements/Renovations of Kamagambo Police Station
- Modernization of ICT Centres.

**2. Capacity Building Initiatives:**

- The setting up ICT Centres in the four wards to serve the youth in gaining ICT Skills and online work.

**3. Bursary:** Award of bursary to College and Secondary School Students totalling over Ksh50M annually

#### 7.4 Compliance with Statutory Requirements

The Fund complied fully with the **PFM Act, PPADA Act, the Public Audit Act, NGCDF Act** and other relevant legislation. All statutory deductions (PAYE, NHIF, NSSF) were remitted on time. No material arrears were recorded as at 30th June 2025

#### 7.5 Major Risks Facing the Fund

S/NO.	Risk category	Description	Mitigation measures
1.	Economic	Inflation affecting operational costs	Strategic procurement & budget adjustments
2.	Technological	Cybersecurity threats	Investment in secure ICT infrastructure
3.	Legal	Court cases	Filing defence in Court and Engaging the public and key stakeholders on the benefits of the fund and possible areas of improvement
4.	Political	Interference	Positively engaging the politicians and factoring their concerns where possible
5.	Operational	Delays in project implementation	Strengthened project management frameworks by hiring the requisite staff

#### 7.6 Review of the Economy

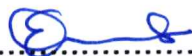
The Kenyan economy grew at an average rate of **5.1%** during the period under review, supported by agriculture, services, and infrastructure investments. However, FY 2022/23 experienced inflationary pressures (average **8.3%**) and currency depreciation, impacting the cost of construction materials as most of our projects are on physical infrastructure development.

### **7.7 Future Developments**

- Construction of the Rongo University School of Health Sciences in collaboration with the institution.
- Ensuring all basic learning institutions in the constituency have adequate and modern learning infrastructure.
- Introduction of green and sustainable initiatives in line with global ESG trends.

### **7.8 Conclusion**

The Fund remains financially stable and operationally resilient, with a clear roadmap for sustainable growth. Strategic investments in technology, infrastructure, and human capacity will ensure improved service delivery and alignment with national development goals.

.....  


**Name: Enock O. Nyasende**  
**Fund Account Manager**

## **8.Environmental and Sustainability Reporting**

Rongo NG-CDF Main Mandate is to transform lives of the constituents through various social economic and development programs approved and guided by the NG-CDF Act, and Rongo NG-CDF Strategic plan.

We seek to achieve and embrace social inclusivity of all people of different background.

### **1. Sustainability strategy and profile -**

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

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

goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation and tree seedling production.

## **2. Environmental performance**

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 and water conservation.

- Construction of police stations supported NG-CDF in the villages has brought policing to the community level thereby enhancing adherence to the rule of law
- During NG-CDF sponsored functions activities. Communities' and participants are sensitized on environmental conservation matters.

## **3. Employee welfare**

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

Employees are encouraged and supported to build on their skills and knowledge continually. Rongo constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

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

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

Rongo Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

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

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

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

Rongo Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the

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

---

national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

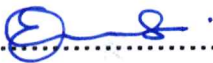
**Public participation** is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

**Public Awareness**

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

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



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

The Accounting Officer in charge of the NGCDF-Rongo 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- Rongo Constituency further confirms the completeness of the accounting records maintained for

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

---

the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

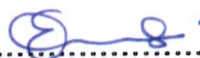
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

#### **Approval of the financial statements**

The NGCDF- Rongo Constituency financial statements were approved and signed by the Accounting Officer on 02/10/ 2025.



**Name: Richard Onyango Ochieng**  
Chairman – NGCDF Committee



**Name: Enock O. Nyasende**  
Fund Account Manager

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RONGO 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 financial statements of National Government Constituencies Development Fund-Rongo Constituency set out on pages 1 to 59, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Rongo Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015. (Amended 2022).

### **Basis for Qualified Opinion**

#### **Variance Between Other Grants and Transfers Expenditure and Cashbook**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects other grants and transfers of Kshs.58,898,261. However, confirmation with the cashbook and bank statements showed disbursements of Kshs.57,530,687, leading to an unexplained variance of Kshs.1,367,574.

In the circumstances, the accuracy and completeness of other grants and transfers amount of Kshs.58,898,261 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amount on comparable basis of Kshs.273,745,259 and Kshs.177,790,153

respectively, resulting in an underfunding of Kshs.95,955,106 or 35% of the budget. Similarly, the programme expenditure amounted to Kshs.168,032,946 against the realized receipts of Kshs.177,790,153 resulting in an under-utilization of Kshs.9,757,207 or 5% of the actual receipts.

In the circumstances, the under-funding and under-utilization may have impacted negatively on planned activities to the Residents of Rongo Constituency.

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

### **Other Matter**

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

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved:

<b>S/No.</b>	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Unsupported Project Management Committee (PMC) Bank Balances
2	2023/2024	Accuracy of Summary Statement of Appropriation
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Transfer to Kosondo Secondary School
5	2023/2024	Emergency Project-Proposed Construction of Ablution Block at Kamagambo Police Station
6	2023/2024	Sports Project
7	2023/2024	Security Projects – Proposed Construction of Okumba Police Post
8	2023/2024	Proposed Construction of Administration Block at Sumba Primary School
9	2023/2024	Environment Project – Proposed Construction of Eight (8) Door Pit Latrine at Lwala Kamenji Secondary School

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xli which comprise Project Information and Overall Performance, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the NGCDF 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 and I am required to report that fact. I have nothing to report in this regard.

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

### **Basis for Conclusion**

As required by Article 229(6) of the Constitution and 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.

#### **1. Transfer to Primary Schools - Kandianga Primary School**

The statement of receipts and payments and as disclosed in Note 13 to the financial statements reflects an amount of Kshs.95,683,022 in respect to transfer to other Government units which further includes an amount of Kshs.46,832,616 relating to transfer to primary schools. Included in Kshs.46,832,616 is an amount of Kshs.4,998,500 paid for construction to completion of a laboratory. The physical verification conducted on 16 September, 2025, revealed that despite the fact that payment had been done in full, the project was not yet completed. The terrazzo floor, work tops, plumbing works, ceiling on corridors and fume chamber had not been done. Further, painting works had not been completed. The Management did not provide explanation for the delay.

In the circumstances, the value for money for the expenditure amounting to Kshs.10,998,500 relating to transfer to primary schools could not be confirmed.

#### **2. Transfer to Secondary Schools**

Statement of financial performance and as disclosed in Note 13 to the financial statements reflects an amount of Kshs.95,683,022 in respect to transfer to other Government units which further includes an amount of Kshs.48,850,405 relating to transfer to secondary schools. However, physical verification of sampled projects revealed the following anomalies:

##### **2.1 Ngodhe Secondary School**

Included in the expenditure is an amount of Kshs.6,750,000 that was paid for construction of storey tuition/administration block. The physical verification conducted on 16 September, 2025 revealed that the building was on going and had been done up to the shatter level. However, there was no contractors banner indicating the projects name, the owners, supervising engineer, the finished picture of the project. Further, the project was 50% complete.

## 2.2 Opapo Secondary School

Included in the expenditure is an amount of Kshs.5,000,000 that was paid for construction of storey tuition/administration block. Physical verification conducted on 16 September, 2025 revealed that the building was on going and had been done up to the shatter level. There was no contractors banner indicating the projects name, the owners, supervising engineer, the finished picture of the project. Further, the project was 50% complete.

In the circumstances, the value for money for the expenditure totalling Kshs.20,880,645 relating to transfer to secondary schools could not be confirmed.

## 3. Unimplemented Projects

Review of the approved projects list on climate change mitigation projects for the year under review revealed that seven (7) projects with an approved budgetary allocation of Kshs.730,000 had not been implemented as at 30 June, 2025. No explanation was provided for the non-implementation of the projects.

In the circumstances, Management was in breach of law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards requires 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 and 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 with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements complies 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**

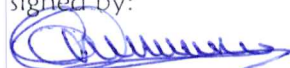
**28 October 2025**

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

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

	Note	2024/2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	170,475,857
Transfers from domestic and foreign partners	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>170,475,857</b>
<b>Expenses</b>		
Employee costs	10	4,213,376
Committee expenses	11	3,499,400
Use of Goods and Services	12	6,138,323
Other Government Units Actual expenditure	13	95,683,022
Other Grants and Transfers Actual expenditure	14	58,898,261
Depreciation and amortization expense	15	215,319
Digital Hubs Expenses Actual expenditure	16	595,722
<b>Total expenses</b>		<b>169,243,422</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>1,232,435</b>

The Constituency financial statements were approved by the NGCDFC on 02/10/25 and signed by:



Chairman NG-CDF  
Committee  
Name: Richard O. Onyango

National Sub-County  
Accountant  
Name: Felix Emolem  
ICPAK M/No: 11731



Fund Account Manager  
Name: Enock Nyasende

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

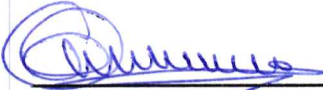
**12. Statement Of Financial Position As At 30th June, 2025**

	Note	2024/2025	Opening Statement 1st July 2025
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	63,236,457	53,479,249
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,475,857	49,790,153
Prepayments	22	73,853	100,589
<b>Total Current Assets</b>		<b>105,786,166</b>	<b>103,369,991</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	1,122,721	428,400
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>1,122,721</b>	<b>428,400</b>
<b>Total Assets (A)</b>		<b>106,908,887</b>	<b>103,798,391</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third Party Deposits	27	8,049,293	6,681,895
Lease Liabilities	28	-	-
Gratuity Provision	29	992,952	482,288
<b>Total Current Liabilities</b>		<b>9,042,245</b>	<b>7,164,183</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	30	-	-
<b>Total Liabilities (B)</b>		<b>9,042,245</b>	<b>7,164,183</b>
<b>Net Assets (A-B)</b>		<b>97,866,642</b>	<b>96,634,207</b>
Represented by:			
Accumulated Surplus		97,866,642	96,634,207
Revaluation Reserves			
<b>Total Net Assets</b>		<b>97,866,642</b>	<b>96,634,207</b>

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

---

The Constituency financial statements set out on pages 1 to 59 approved by NG CDFC on 02/10/25 and signed by:



---

**Chairman NG-CDF  
Committee  
Name: Richard Onyango**

---

**National Sub-County  
Accountant  
Name: Felix Emolem  
ICPAK M/No: 11731**



---

**Fund Account Manager  
Name: Enock O. Nyasende**

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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
<b>Fund Balance as at 30<sup>th</sup> June 2024</b>	5,991,714	-	5,991,714
<b>Adjustments</b>			
Recognition of Assets	97,311,743		97,311,743
Recognition of Liabilities	6,669,250		6,669,250
<b>As at July 1, 2024</b>	96,634,207		96,634,207
Surplus/(Deficit) For the Period	1,232,435		1,232,435
Revaluation Gain/Loss	-	-	-
<b>As at June 30, 2025</b>	<b>97,866,642</b>	-	<b>97,866,642</b>

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

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

	Notes	2024/2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		177,790,153
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>177,790,153</b>
<b>Payments</b>		
Employee costs		3,702,712
Committee expenses		3,499,400
Use of Goods and Services		6,111,587
Other Government Units Certified Works		93,816,037
Other Grants and Transfers		59,397,849
Digital Hubs Expenses		595,722
<b>Total Payments</b>		<b>167,123,307</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	30	<b>10,666,846</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		909,639
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>909,639</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>9,757,207</b>
<b>Cash Flows from Financing Activities</b>		
Lease Payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>9,757,207</b>
Cash and cash equivalents at 1 July	19	53,479,249
<b>Cash and cash equivalents at 30 June</b>	19	<b>63,236,456</b>

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
<b>Revenue</b>							
Transfers From the NGCDF Board	170,475,857	53,479,249	49,790,153	273,745,259	177,790,153	95,955,106	65%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
<b>Totals</b>	<b>170,475,857</b>	<b>53,479,249</b>	<b>49,790,153</b>	<b>273,745,259</b>	<b>177,790,153</b>	<b>95,955,106</b>	<b>65%</b>
<b>Expenses</b>							
Employee costs	4,078,965	1,444,269	-	5,523,234	3,702,712	1,820,522	67%
Committee expenses	4,228,778	-	-	4,228,778	3,499,400	729,378	83%
Use of Goods and Services	7,029,084	215,750	-	7,244,834	6,111,587	1,133,247	84%
Other Government Units Certified Works	68,858,144	47,700,181	44,860,106	161,418,431	93,816,037	67,602,394	58%
Other Grants and Transfers	55,182,098	2,952,237	4,330,047	62,464,382	59,397,849	3,066,533	95%
Acquisition of Assets	240,000	669,640	-	909,640	909,639	1	100%
Digital Hubs Expenses	800,000	-	600,000	1,400,000	595,722	804,278	43%
Funds Pending Approval**	30,058,788	497,172	-	30,555,960	-	30,555,960	0%
Total Expenditure	<b>170,475,857</b>	<b>53,479,249</b>	<b>49,790,153</b>	<b>273,745,259</b>	<b>168,032,946</b>	<b>105,712,313</b>	<b>61%</b>
<b>Surplus for the period</b>							

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

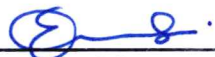
Explanatory Notes.

All the expenditure that were below 90% in utilization was attributed to pending disbursements from the NGCDF Board for the financial year 2024-2025 of Kshs 42,475,857.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	105,712,313
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	42,475,857
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	63,236,456

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 02/10/25 and signed by:



Fund Account Manager

Name: Enock O. Nyasende



National Sub-County Accountant

Name: Felix Emolem  
ICPAK M/No: 11731



Chairman NG-CDF Committee

Name: Richard Onyango

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on 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	4,078,965	1,444,269		5,523,234	3,702,712	1,820,522
1.2 Committee allowances	2,028,778	-		2,028,778	1,299,400	729,378
1.3 Use of goods and services	4,120,808	212,050		4,332,858	3,880,457	452,401
Sub-total	10,228,551	1,656,319	-	11,884,870	8,882,569	3,002,301
2.0 Monitoring and evaluation						
2.1 Capacity building	304,000			304,000		304,000
2.2 Committee allowances	2,200,000			2,200,000	2,200,000	-
2.3 Use of goods and services	2,604,276			2,604,276	2,227,429	376,847
Sub-total	5,108,276	-	-	5,108,276	4,427,429	680,847
<b>3.0</b> 4.0 Emergency unutilized						
Kamagambo Police Station		218,735		218,735	201,907	16,828
Miyare Primary School		1,183,502		1,183,502	1,180,683	2,819
Kosodo Primary School--P 2 (construction of 2 classrooms)	2,400,000	-		2,400,000	1,350,175	1,049,825

*National Government Constituencies Development Fund (NGCDF)  
Rongo 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
Arundo Primary School--P1( 4door pit latrine)	600,000	-		600,000	598,166	1,834
Arundo Primary School--P2( 4door pit latrine)	600,000	-		600,000	598,768	1,232
Kuna Primary School(Renovation of 5No. Classrooms)	2,600,000	-		2,600,000	2,464,703	135,297
Uriri Primary School(Modern 8door pit latrine)	1,300,000	-		1,300,000	1,299,968	32
Kondoro Primary School--P3(reroofing 5No. Classrooms & other repairs)	1,472,098	1,022		1,473,119	1,472,308	811
Sub-total	8,972,098	1,403,258	-	10,375,356	9,166,678	1,208,678
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	13,000,000	82,285		13,082,285	12,971,400	110,885
5.3 Tertiary Institutions	25,000,000	1,069,952	4,330,047	30,399,999	30,399,999	0
5.4 special needs	1,000,000	-		1,000,000	1,000,000	-
5.5 Education Support Programmes		-		-		-
5.6 Social Security	6,000,000	1,800,000		7,800,000	2,777,190	5,022,810
Sub-total	45,000,000	2,952,237	4,330,047	52,282,284	47,148,589	5,133,695
7.0 Environment						

*National Government Constituencies Development Fund (NGCDF)  
Rongo 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
Andingo Kokebe Primary School		-	40,000	40,000	40,000	-
Arundo Primary School	40,000	-		40,000	40,000	-
Chiefs Office Central Kamagambo	40,000	1,293		41,293	40,000	1,293
Dago Kodoro Primary School	40,000	551		40,551	40,000	551
Kameji Primary School	40,000	8,864		48,864	40,000	8,864
Kamondi Primary School	40,000	-		40,000	40,000	-
Kangeso Primary School	40,000	-		40,000	40,000	-
Kanyadgiro Primary School		-	40,000	40,000	40,000	-
Kitembe Primary School	40,000	-		40,000	40,000	-
Kitweru Primary School		-	40,000	40,000	40,000	-
Kondoro Primary School		-	40,000	40,000	40,000	-
Kudho Primary School	40,000	1,200		41,200	40,000	1,200
Lwala Primary School		-	40,000	40,000	40,000	-
Matara Primary School	180,000	-		180,000	40,000	140,000
Matagaro Primary School	40,000	-		40,000	40,000	-
Mitwe Primary School	40,000	-		40,000	40,000	-
Ndonyo Primary School		-	40,000	40,000	40,000	-
Ngere Primary School		-	40,000	40,000	-	40,000
Nyaburu Primary School	40,000	24,105		64,105	40,000	24,105

*National Government Constituencies Development Fund (NGCDF)*  
*Rongo 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
Nyakwere Primary School		-	40,000	40,000	-	40,000
Nyarach Primary School	40,000	-		40,000	40,000	-
Ofwanga Mixed Secondary School	40,000	-		40,000	-	40,000
Okumba Police Post	40,000	-		40,000	40,000	-
Omware Primary School		-	40,000	40,000	40,000	-
Pundo Kawiti Primary School		-	40,000	40,000	-	40,000
Rongo Primary School		-	40,000	40,000	1,030	38,970
Sumba Primary School	40,000	-		40,000	40,000	-
Sumba Primary School	180,000	-		180,000	-	180,000
Uriri Primary School	40,000	-		40,000	-	40,000
Sub-total	1,000,000	36,013	440,000	1,476,013	881,030	594,983
8.0 Primary Schools Projects						
Aila Primary School	1,500,000	1,544	2,000,000	3,501,544	2,865,484	636,060
Andingo Kokebe Primary School	210,000	700,000	-	910,000	700,000	210,000
Dago Kowuor Primary School		1,022,800		1,022,800	1,015,849	6,951
Kadianga Primary School	2,402,067	1,000	2,596,433	4,999,500	2,519,428	2,480,072
Kamgundho Primary School	-	1,302,443		1,302,443	1,297,272	5,171
Kamgundho Primary School		-	1,200,000	1,200,000	1,078,187	121,813

*National Government Constituencies Development Fund (NGCDF)*  
*Rongo 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			
Kamondi Primary School		188,708		188,708	188,130	578
Kanga Primary School	-	1,269	2,100,000	2,101,269	2,098,831	2,438
Kangeso Primary School	-	1,361	1,050,000	1,051,361	1,049,016	2,345
Kanyadgiro Primary School		111,888		111,888	530	111,358
Kitembe Primary School	-	-	400,000	400,000	398,789	1,211
Kitere Primary School	1,300,000	1,633	-	1,301,633	454,798	846,835
Kitunja Primary School	1,200,000	2,000,975		3,200,975	2,000,393	1,200,582
Kitweru Primary School		1,282		1,282	100	1,182
Kosodo Primary School	-	-	1,300,000	1,300,000	1,298,693	1,307
Kosodo Primary School		-	1,146,433	1,146,433	1,089,111	57,322
Koyar Primary School	210,000	334	2,100,000	2,310,334	1,351,127	959,207
Koyar Primary School		-		-	-	-
Lwala Primary School		1,172		1,172	100	1,072
Marera Primary School		808,882		808,882	806,231	2,651
Mitwe Primary School	-	2,481	400,000	402,481	388,965	13,516
Ndonyo primary School		3,524		3,524	1,148	2,376
Ngere Primary School	-	1,331	1,050,000	1,051,331	998,612	52,719
Nyakwere Primary School		800,000		800,000	800,000	-
Nyakwere Primary School		88,615		88,615	891	87,724

*National Government Constituencies Development Fund (NGCDF)*  
*Rongo 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
Nyamaroka Primary School	-	795	2,100,000	2,100,795	1,992,356	108,439
Nyamaroka Primary School		-	1,050,000	1,050,000	1,049,849	151
Nyamuga Primary School	-	-	2,100,000	2,100,000	2,097,840	2,160
Nyangao Primary School		100,004		100,004	99,968	36
Nyarach Primary School		3,100,408		3,100,408	3,094,810	5,598
Omware primary School		57,726		57,726	530	57,196
Ongo Primary School	-	-	400,000	400,000	389,377	10,623
Opapo Primary School	-	808	1,200,000	1,200,808	1,140,892	59,917
Paul Arondo Primary School	158,363	1,373	1,340,000	1,499,736	1,498,278	1,458
Pundo Kawiti Primary School	5,000,000	64,182	-	5,064,182	530	5,063,653
Rongo Primary School	2,000,000	23,018	2,000,000	4,023,018	1,986,096	2,036,922
Rongo Primary School		-	2,100,000	2,100,000	2,099,254	746
Sango Primary School	-	13	2,100,000	2,100,013	2,098,295	1,718
Siala Primary School		1,170,290		1,170,290	1,143,106	27,184
St Jonathan Primary School	210,000	8,326	-	218,326	1,908	216,418
Sumba Primary School		828,674		828,674	618,697	209,977
Tonye Primary School	1,500,000	2,000,607	-	3,500,607	2,430,818	1,069,789
Tuk Jowi Primary School	-	2,530	1,200,000	1,202,530	944,486	258,044
Uriri Primary School	-	110	400,000	400,110	370,149	29,961

*National Government Constituencies Development Fund (NGCDF)  
Rongo 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			
Winyo Primary School	-	0	600,000	600,000	599,084	916
Banda Primary School	2,400,000	-	-	2,400,000	-	2,400,000
Sub-total	18,090,430	14,400,103	31,932,866	64,423,399	46,058,008	18,365,391
9.0 Secondary Schools Projects (List all the Projects)						-
Kamagambo Day Secondary School	1,348,500	3,897,860	-	5,246,360	5,171,021	75,339
Kameji Mixed Secondary School		900,091		900,091	899,955	136
Kanyimach Mixed Sec School--Storey	-	5,441,064		5,441,064	5,376,712	64,352
Kanyimach Mixed Sec School--P2 Pit Latrine		-	500,000	500,000	498,277	1,723
Kitere Mixed Secondary School	16,492,259	9,458,775		25,951,033	9,402,037	16,548,996
Kosodo Mixed Secondary School		144,916		144,916	141,664	3,252
Lwala Kameji Mixed Sec School	210,000	1,597,012	-	1,807,012	1,596,126	210,886
Lwala Kameji Mixed Sec School		700,000		700,000	700,000	-
Lwala Kameji Mixed Sec School		-		-	-	-
Ngodhe Mixed Secondary School	11,093,288	1,072	6,750,000	17,844,360	5,673,361	12,170,999
Nyamuga Mixed Secondary School		761		761	560	201
Opapo Mixed Secondary School	12,000,000	3,625	5,000,000	17,003,625	4,800,258	12,203,367
Rongo Mixed Day Secondary School	9,413,668	5,751,919		15,165,587	11,527,288	3,638,299
St Albert Miyare Mixed Secondary		193,572		193,572	191,782	1,790

*National Government Constituencies Development Fund (NGCDF)*  
*Rongo 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
School						
St Peters Kuna Mixed Secondary School		2,305		2,305	1,656	649
St. Peters of Wanga Mixed Secondary School	-	1,552,852	237,240	1,790,092	1,777,333	12,759
Lango Arek Mixed Secondary School	210,000	10,825	-	220,825	-	220,825
Sub-total	50,767,714	29,656,647	12,487,240	92,911,601	47,758,029	45,153,572
10.0 Tertiary institutions Projects (List all the Projects)						
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Ochodororo Police Station	210,000	-		210,000		210,000
Okumba Police Station		2,204,160		2,204,160	2,201,552	2,608
				-		-
Sub-total	210,000	2,204,160	-	2,414,160	2,201,552	212,608
12.0 Acquisition of assets						
Motor Vehicles (including motorbikes)				-		-
Construction of CDF office				-		-

*National Government Constituencies Development Fund (NGCDF)  
Rongo 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
Purchase of furniture and equipment	140,000	-	-	140,000	140,001	(1)
Purchase of computers/ICT	100,000	-	-	100,000	100,000	-
NG-CDF Office - Solar System		669,640	-	669,640	669,639	1
Sub-total	240,000	669,640	-	909,640	909,640	0
13.0 Others						
Strategic Plan		3,700		3,700	3,700	-
Sub-total	-	3,700	-	3,700	3,700	-
Digital Hubs						
Central Kamagambo Creative and Innovations Hub	200,000		150,000	350,000	149,562	200,438
North Kamagambo Creative and Innovations Hub	200,000		150,000	350,000	148,694	201,306
South Kamagambo Creative and Innovations Hub	200,000		150,000	350,000	148,535	201,465
East Kamagambo Creative and Innovations Hub	200,000		150,000	350,000	148,931	201,069
Sub-total	800,000	-	600,000	1,400,000	595,722	804,278

*National Government Constituencies Development Fund (NGCDF)*  
*Rongo 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
Funds pending approval**						
unapproved projects						
Kanyimach Mixed Secondary School	1,437,076			1,437,076		1,437,076
Kamagambo Day Secondary School	14,946,152			14,946,152		14,946,152
Lwala Kameji Secondary School	1,200,000			1,200,000		1,200,000
Okumba Police Post	1,000,000			1,000,000		1,000,000
Rongo University School of Health Sciences	7,969,560			7,969,560		7,969,560
Bursary Secondary Schools	3,500,000			3,500,000		3,500,000
Use of Goods & Services(AIA)	6,000			6,000		6,000
AIA		497,000		497,000		497,000
PMC Savings		172		172		172
<b>Sub-total</b>	<b>30,058,788</b>	<b>497,172</b>	<b>-</b>	<b>30,555,960</b>	<b>-</b>	<b>30,555,960</b>
<b>Total</b>	<b>170,475,857</b>	<b>53,479,249</b>	<b>49,790,153</b>	<b>273,745,259</b>	<b>168,032,946</b>	<b>105,712,313</b>

## **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 to develop project proposals in consultation with wananchi through periodic ward level forums, submits them to the NG-CDF board for approval and facilitates/monitors the PMCs in planning, implementation, and sustenance of the projects once completed at the Constituency level of Kenya and is domiciled in Kenya. The NG-CDF Rongo Constituency principal activity is

### **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 Rongo 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 Rongo has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts;

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

receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2024/2025 up to the reporting date.

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

The recognition of all other non-financial assets acquired prior to the 2024/2025 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.

**3. Adoption of New and Revised Standards**

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

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

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

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

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

**Rongo Constituency**

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

Discontinued Operations	such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>Not Applicable</i>
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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. <i>Not Applicable</i>
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by: Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. Clarifying transaction costs guidance to enhance consistency across IPSAS. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. <i>Not Applicable</i>
IPSAS 47: Revenue	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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. <i>Not Applicable</i>
IPSAS 48: Transfer Expenses	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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. <i>Not Applicable</i>
IPSAS 49: Retirement	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the

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

Benefit Plans	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. <i>Not Applicable</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1<sup>st</sup> January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. 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. <i>Not Applicable</i>

*iii. Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

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

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

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

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

---

formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

**c) Property, plant and equipment**

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

**d) Leases**

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

the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**e) Intangible assets**

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

**f) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

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

---

Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

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

## **b) Financial liabilities**

### **Classification**

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

### **g) Inventories**

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

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

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

### **h) Provisions**

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

virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

**i) Social Benefits**

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

**j) Contingent liabilities**

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

**k) Contingent assets**

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

**l) Employee benefits**

**Retirement benefit plans**

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed

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

---

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:

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

- 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.

**6. Transfers from the NGCDF Board**

Description	2024/2025
	<b>Kshs</b>
NGCDFB Transfers (Allocation for the FY)	170,475,857
<b>Total</b>	<b>170,475,857</b>

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

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

**8. Finance income**

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

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

**9. Miscellaneous income**

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

**10. Employees cost**

	<i>2024/2025</i>
	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,851,680
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	37,000
Gratuity to contractual employees	853,524
Employer Contributions Compulsory national social security schemes	165,192
Employer Contributions Compulsory Housing levy	42,780
Employer contributions to National Industrial Training Authority	7,200
Other Specify-Casual Labour	256,000
<b>Total</b>	<b>4,213,376</b>

**11. Committee Expenses**

	<i>2024/2025</i>
	<b>Kshs</b>
Sitting allowance	518,850
Other Committee expenses	2,980,550
<b>Total</b>	<b>3,499,400</b>

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

**12. Use of Goods and services**

	<i>2024/2025</i>
	<b>Kshs</b>
Utilities, supplies and services	70,000
Communication, supplies and services	920,000
Domestic travel and subsistence	2,278,850
Printing, advertising and information supplies & services	191,808
Office Rent	-
Training expenses	-
Hospitality supplies and services	532,000
Insurance costs	122,666
Specialized materials and services	-
Office and general supplies and services	1,036,000
Fuel, oil & lubricants	561,900
Bank charges	39,555
Routine maintenance – vehicles and other transport equipment	201,844
Routine maintenance – other assets	180,000
Strategic plan expenses	3,700
Other operating expenses	-
<b>Total</b>	<b>6,138,323</b>

**13. Other Government Units Actual expenditure**

<b>Description</b>	<i>2024/2025</i>
	<b>Kshs</b>
Primary Schools Actual expenditure	46,832,616
Secondary Schools Actual expenditure	48,850,405
Tertiary Institutions Actual expenditure	-
<b>Total</b>	<b>95,683,022</b>

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

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

	<i>2024/2025</i>
	<b>Kshs</b>
Bursary – secondary schools	12,971,400
Bursary – tertiary institutions	30,399,999
Bursary – special schools	1,000,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	2,777,190
Security projects Actual expenditure	2,002,052
Climate change mitigation projects	881,030
Emergency projects Actual expenditure	8,866,590
Roads projects Actual expenditure	-
Others specify	-
<b>Total</b>	<b>58,898,261</b>

**15. Depreciation and Amortization Expenses**

Description	<i>2024/2025</i>
	<b>Kshs</b>
Property Plant and Equipment	215,319
Intangible Assets	-
<b>Total</b>	<b>215,319</b>

**16. Digital Hubs Expenses**

Description	<i>2024/2025</i>
	<b>Kshs</b>
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	595,722
Maintenance of ICT equipment	-
Maintenance of building	-
Others ( <i>specify</i> )	-
<b>Total</b>	<b>595,722</b>

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

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

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

**18. Impairment Loss**

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

**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
Kenya Commercial Bank - 1121172210-Operations A/C	44,859,169	5,494,886
Operations account pending closure (Indicate name & account no.)	-	-
Cooperative Bank of Kenya -01100595101001 - Deposit A/C	1,502,426	991,761
Kenya Commercial Bank - PMC Accounts	16,874,862	46,992,602
<b>Total</b>	<b>63,236,457</b>	<b>53,479,249</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	-	-

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

**20. Receivables from Exchange Transactions**

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

i. **Ageing Analysis for Receivables**

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

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

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

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	42,475,857		49,790,153	
Outstanding imprest	-		-	
<b>Total</b>	<b>42,475,857</b>		<b>49,790,153</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2024/205</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	42,475,857	100%	49,790,153	100%
Between 1- 2 years		0%	-	
Between 2-3 years	-	0%	-	-
Over 3 years	-	0%	-	-
<b>Total (a+b)</b>	<b>42,475,857</b>	<b>100%</b>	<b>49,790,153</b>	<b>100%</b>

**22. Prepayments**

Description	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	73,853	100,589
Prepaid Electricity Costs	-	-
Other Prepayments ( <i>Specify</i> )	-	-
<b>Total</b>	<b>73,853</b>	<b>100,589</b>

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

**23. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
<b>Depreciation Rate(specify)</b>		2%	25%	12.5%	30%	x%		
<b>Cost</b>	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Opening Bal as 1<sup>st</sup> July 2024</b>	-	-	-	290,000	249,500	-	-	539,500
Additions	-	-	-	809,639	100,000	-	-	909,639
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	<b>1,099,639</b>	<b>349,500</b>	-	-	<b>1,449,139</b>
<b>Depreciation And Impairment</b>								
<b>Opening Depreciation</b>	-	-	-	36,250	74,850	-	-	111,100
Depreciation	-	-	-	132,924	82,395	-	-	215,319
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	<b>169,174</b>	<b>157,245</b>	-	-	<b>326,419</b>
<b>Net Book Values</b>								
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	-	-	-	253,750	174,650	-	-	428,400
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	<b>930,466</b>	<b>192,255</b>	-	-	<b>1,122,721</b>

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

**Valuation**

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

**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:

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	349,500	157,245	192,255
Office Equipment, Furniture, And Fittings	1,099,639	169,174	930,466
<b>Total</b>	<b>1,449,139</b>	<b>326,419</b>	<b>1,122,721</b>

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

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

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

**24. Intangible Assets**

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

**25. Right-of use assets**

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

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

**26. Trade and Other Payables**

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

**27. Third-Party deposits**

	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	KShs	Ksh
Retention as at 1 <sup>st</sup> July (A)	6,681,895	89,999
Retention held during the year(B)	8,683,778	6,681,895
Retention paid during the Year (C)	7,316,380	89,999
<b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b>	<b>8,049,293</b>	<b>6,681,895</b>

**Retentions aging analysis.**

	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	8,049,293	100%	6,681,895	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>8,049,293</b>	<b>100%</b>	<b>6,681,895</b>	<b>100%</b>

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

**28. Lease Liabilities**

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

**Maturity Analysis**

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

**Analysed as:**

Description	Amount
Current	-
Non- Current	-
Total	-

**29. Gratuity Provision**

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Gratuity at the beginning of the year 1 <sup>st</sup> of July	482,288	636,830
Gratuity held during the year	853,524	825,368
Gratuity paid during the year	342,860	979,910
<b>Total Gratuity Provision 30th June (A+B-C)</b>	<b>992,952</b>	<b>482,288</b>

### 30. Cash Generated from Operations

	<b>2024/2025</b>
	<b>Kshs</b>
<b>Surplus/Deficit for the year</b>	1,232,435
<b>Adjusted for:</b>	
Depreciation	215,319
Impairment	-
Gains and losses on disposal of assets	-
<b>Working capital adjustments</b>	
Increase/decrease in receivables	(7,341,032)
Changes in Third party deposits	(1,367,398)
Increase/decrease in payables	(510,664)
<b>Net cash flow from operating activities</b>	<b>10,666,847</b>

### 31. Financial Risk Management

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

#### i) **Credit risk**

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

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

account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Receivables from exchange transactions		-	-	-
Receivables from non-exchange transactions	42,475,857	42,475,857	-	-
Bank balances	63,236,456	63,236,456	-	-
<b>Total</b>	<b>105,712,313</b>	<b>105,712,313</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2024</b>		-	-	-
Receivables from exchange transactions		-	-	-
Receivables from non-exchange transactions	49,790,153	49,790,153	-	-
Bank balances	6,486,647	6,486,647	-	-
<b>Total</b>	<b>56,276,800</b>	<b>56,276,800</b>	<b>-</b>	<b>-</b>

**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

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

board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions		-	8,049,293	8,049,293
Deferred income		-	-	-
Gratuity Provision		-	992,952	992,952
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,042,245</b>	<b>9,042,245</b>
<b>As at 30<sup>th</sup> June 2024</b>				-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	482,288	482,288
<b>Total</b>	<b>-</b>	<b>-</b>	<b>482,288</b>	<b>482,288</b>

**iii) Market risk**

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

**a) Foreign currency risk**

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

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

**Foreign currency sensitivity analysis**

**2024/2025**

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

**Financial Risk Management**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>Current FY</b>			
Euro	10%	-	-
USD	10%	-	-
<b>Previous FY</b>			
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 endeavoured to bank with institutions that offer favourable interest rates.

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**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.

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

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

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

Description	Level 1		Level 2	Level 3	Total
	Kshs		Kshs	Kshs	Kshs
<b>As at 30 June (Current FY)</b>					
<b>Financial Assets</b>					
Quoted Equity Investments	-		-	-	-
<b>Non- Financial Assets</b>	-		-	-	-
Investment Property	-		-	-	-
Land And Buildings	-		-	-	-
<b>Total</b>	-		-	-	-
<b>As at 30<sup>th</sup> June (Previous FY)</b>	-		-	-	-
<b>Financial Assets</b>	-		-	-	-
Quoted Equity Investments	-		-	-	-
<b>Non- Financial Assets</b>	-		-	-	-
Investment Property	-		-	-	-
Land And Buildings	-		-	-	-
<b>Total</b>	-		-	-	-

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

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

**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	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	97,866,642	97,866,642
Capital Reserve	-	-
<b>Total Funds</b>	<b>97,866,642</b>	<b>97,866,642</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	<b>63,236,456</b>	<b>6,486,647</b>
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	<b>65%</b>	<b>35%</b>

**32. Related Party Disclosures**

	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	1,248,000	-
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	177,790,153	179,790,153
<b>Total</b>	<b>179,038,153</b>	<b>179,790,153</b>

**33. Segment Information**

The organisation does not operate in any other different geographical region.

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

**34. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

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

**Contingent Liabilities**

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

**35. Capital Commitments**

Capital Commitments	2024/2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
<b>Total</b>	-	-

**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 Rongo 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.

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

**18. Annexes**  
**Annex 1: Summary of Asset Register**

<b>Asset class</b>	<b>Historical Cost/valuation cost balance brought forward (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land	-	-	-	-
Buildings and structures	21,553,961	-	-	21,553,961
Transport equipment	11,098,843	-	-	11,098,843
Office equipment, furniture, and fittings	2,870,000	809,639	-	3,679,639
ICT Equipment and Other ICT Assets	1,135,500	100,000	-	1,235,500
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>36,658,304</b>	<b>909,639</b>	<b>-</b>	<b>37,567,943</b>

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

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

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2024/2025</b>	<b>Bank Balance 2023/2024</b>
Aila Primary School	KCB Rongo	1124154744	636,060	1,544
Andingo Kokebe Pri School	KCB Rongo	1330953622	210,000	
Arundo Primary School	KCB Rongo	1335354794	3,066	-
Central Kamagambo Chiefs Office	KCB Rongo	1274614651	1,293	1,293
Central Kamagambo Digital Hub	KCB Rongo	1273719921	438	-
Dago Kodero Primary School	KCB Rongo	1286100267	40,551	551
Dago Kowuor Primary School	KCB Rongo	1317205545	6,951	1,022,800
East Kamagambo Digital Hub	KCB Rongo	1336942789	1,069	-
Kadianga Primary School	KCB Rongo	1183066198	2,480,072	1,000
Kamagambo Day Sec School	KCB Rongo	1294014110	75,339	3,897,860
Kamagambo Police Station	KCB Rongo	1272907864	16,828	218,735
Kameji Mixed Secondary Sch	KCB Rongo	1292219807	136	900,091
Kameji Primary School	KCB Rongo	1115723553	1,285	1,285
Kamgundho Primary School	KCB Rongo	1259244075	126,984	1,302,443
Kamondi Primary School	KCB Rongo	1143717082	578	188,708
Kanga Primary School	KCB Rongo	1132328462	2,438	1,269
Kangeso Primary School	KCB Rongo	1132256216	2,345	1,361
Kanyadgiro Primary School	KCB Rongo	1132184045	111,358	111,888
Kanyimach Mixed Sec School	KCB Rongo	1297616545	66,075	5,441,064
Kitembe Primary School	KCB Rongo	1313116440	1,211	-
Kitere Mixed Secondary School	KCB Rongo	1272988171	56,738	9,458,775
Kitere Primary School	KCB Rongo	1256597554	846,835	1,633
Kitunja Primary School	KCB Rongo	1320507379	1,200,582	2,000,975
Kitweru Primary School	KCB Rongo	1123921822	1,182	1,282
Kondoro Primary School	KCB Rongo	1144030234	811	1,022

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

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2024/2025</b>	<b>Bank Balance 2023/2024</b>
Kosodo Mixed Sec School	KCB Rongo	1253282323	3,252	144,916
Kosodo Primary School	KCB Rongo	1330468392	1,108,454	-
Koyar Primary School	KCB Rongo	1123906076	959,207	334
Kudho Primary School	KCB Rongo	1119702097	40,170	1,200
Kuna Primary Schoo	KCB Rongo	1183064861	135,297	-
Lango Arek Mixed Secondary School	KCB Rongo	1130620808	220,825	10,825
Lwala Kameji Secondary School	KCB Rongo	1272338789	210,886	2,297,012
Lwala Primary School	KCB Rongo	1272338541	1,072	1,172
Marera Primary School	KCB Rongo	1285673336	182,651	808,882
Mitwe Primary School	KCB Rongo	1132192951	53,516	2,481
Miyare Primary School	KCB Rongo	1172172153	2,819	1,183,502
Ndonyo Primary School	KCB Rongo	1137031921	2,376	3,524
Ngere Primary School	KCB Rongo	1135067880	52,719	1,331
Ngodhe Mixed Sec School	KCB Rongo	1254260129	1,077,711	1,072
North Kamagambo Digital Hub	KCB Rongo	1232331295	1,306	-
Nyaburu Primary School	KCB Rongo	1168077699	24,105	24,105
Nyakwere Primary School	KCB Rongo	1148848665	87,724	888,615
Nyamaroka Primary School	KCB Rongo	1167486463	108,590	795
Nyamuga Mixed Sec School	KCB Rongo	1254454497	201	761
Nyamuga Primary School	KCB Rongo	1330051114	2,160	-
Nyangao Primary School	KCB Rongo	1144244242	36	100,004
Nyarach Primary School	KCB Rongo	1148447342	5,598	3,100,408
Ochodororo Police Post	KCB Rongo	1341676951	210,000	-
Okumba Police Station	KCB Rongo	1315413108	2,608	2,204,160
Omware Primary School	KCB Rongo	1205553711	57,196	57,726
Ongo Primary School	KCB Rongo	1331101611	10,623	-
Opapo Mixed Sec School	KCB Rongo	11673229945	203,367	3,625

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

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2024/2025</b>	<b>Bank Balance 2023/2024</b>
Opapo Primary School	KCB Rongo	1132150132	59,917	808
Paul Arondo Primary School	KCB Rongo	1311850236	1,458	1,373
Pundo Kawiti Primary School	KCB Rongo	1137260599	63,653	64,182
Rongo Mixed Day Sec School	KCB Rongo	1257103679	2,006,777	5,751,919
Rongo Primary School	KCB Rongo	1160505659	2,037,668	23,018
Sango Primary School	KCB Rongo	1320467989	1,718	13
Siala Primary School	KCB Rongo	1269446819	27,184	1,170,290
South Kamagambo Digital Hub	KCB Rongo	1232749982	1,465	-
St Albert Miyare Mixed Sec Sch	KCB Rongo	1252642822	1,790	193,572
St Jonathan Primary School	KCB Rongo	1272131556	216,418	8,326
St Peters Kuna Mixed Sec Sch	KCB Rongo	1232630241	649	2,305
St. Peters Of Wanga Mixed Sec Sch	KCB Rongo	1131555392	52,759	1,552,852
Sumba Primary School	KCB Rongo	1172182973	389,977	828,674
Tonye Primary School	KCB Rongo	1113905166	1,069,789	2,000,607
Tuk Jowi Primary School	KCB Rongo	1109835604	258,044	2,530
Uriri Primary School	KCB Rongo	1124112774	29,993	110
Winyo Primary School	KCB Rongo	1130407780	916	0
<b>Total</b>			<b>16,874,862</b>	<b>46,992,602</b>

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 Unsupported Project Management Committee (PMC) Bank Balances	The statement of receipts and payments and as disclosed in Note 7 and 8 to the financial statements reflects Kshs.119,105,632 and Kshs.66,736,189 in respect to transfer to other government entities and other grants and other payments respectively both totaling to Kshs.185,841,821. These amounts were disbursed to various institutions to implement projects through Project Management Committees (PMCs). Included in the Kshs.185,841,821 was Kshs.46,950,088 reflected at Annex 5 as Project Management Committee (PMC) bank balances, being the unspent project funds held by various institutions' PMCs. However, the respective bank confirmation certificates and bank statements for Kamondi Primary School Kshs.188,708, Kudho Primary Kshs. 1,200, Nyamuga Mixed Secondary Kshs.761 and St Peter's Kuna Kshs.305 were not availed for audit review.	The certificates of bank balances of the respective PMC accounts have been availed to the auditor. See Annex 1	Not resolved	May, 2026
2.0 Accuracy of Summary Statement of Appropriation	The summary statement of appropriation reflects Kshs.51,215,033 and Kshs.29,548,381 in respect to budget adjustments for the year	The audited financial statements for 2022-2023	Not resolved	June, 2026

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

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)
	ended 30 June, 2024 and opening balance and AIA respectively both totalling to Kshs.80,763,414 which should comprise any unutilized funds and cash balances from the previous year. However, the audited financial statements for 2022-2023 reflect unutilized funds and cash balances of Kshs.80,030,878 and Kshs.29,542,381 respectively as at 30 June, 2023 both totalling Kshs.109,573,259 and therefore resulting to unexplained and unreconciled variance of Kshs.28,809,845.	reflect cash balance of Kshs 29,542,381 which forms part of unutilized funds of Kshs 80,030,878 (Cash balance & outstanding disbursements) as reflected in Note 19.3.		
Budgetary Control and Performance	The Fund's summary statement of appropriation for the year ended 30 June, 2024 reflects an approved receipt budget of Kshs.260,553,567 and actual receipts of Kshs.210,763,414 resulting to budget shortfall of Kshs.49,790,153. In overall, the Fund failed to actualize its budget by Kshs.49,790,153 (19%) an indication that most of the programmes and activities that had been planned were not implemented. There is need therefore for the Constituency Development Fund management to review its budget making process with a view to formulating a realistic budget that would be actualized for better service delivery to the residents of Rongo Constituency.	There was significant delay of disbursement of funds from the exchequer and this caused the under absorption of 19% of the funds. There were also other dependent procedures of procurement which needed to be concluded before the funds could be utilized.	Not resolved	June, 2026

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

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)
Proposed Construction of Administration Block at Sumba Primary School	<p>The statement of receipts and payments as at 30 June, 2024 and as disclosed in Note 7 to the financial statements reflect Kshs.30,660,946 in respect of transfer to other government units. Included in this balance is Kshs.1,850,000 and Kshs.1,677,151 transferred to Sumba Primary School Project Management Committee through voucher number 33 &amp; 383 respectively. However physical verification conducted on 28 November, 2024, revealed that the contractor is not on site. Further verification revealed that plastering and painting works was not complete, one flash door leading into the store's library is broken, the toilet doors were not fixed and there are visible cracks in the walls at the principals' office.</p> <p>In the circumstances the regularity of the Kshs.3,527,151 expenditures in respect to Sumba Primary School could not be confirmed.</p>	<p>The contract is within the defects liability period and the contractor has been appropriately instructed by the project manager to make good the defects. Management undertakes to ensure the same is done conclusively.</p>	Not resolved	June, 2026



Name: Enock O. Nyasende  
Fund Account Manager.

