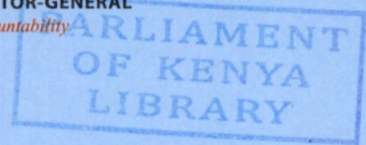


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

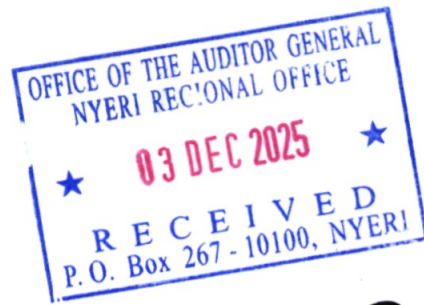
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 FEB 2025	DAY: WED
TABLED BY:	MARGRIT POKOT WHP JAN SILVANS USORU
CLERK-AT THE-TABLE:	OBIERU

THE AUDITOR-GENERAL

ON

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MARAGUA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

Transitional IPSAS Financial Statements

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

(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 realization of the economic and social rights guaranteed under Article 43 of the Constitution.
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution.

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

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

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	PETER KAMAU WAGEREKA
2.	National Sub-County Accountant	SUSAN NYAMBURA MAINA
3.	Chairman NGCDFC	EZEKIEL GATHIGA MURIRA
4.	Member NGCDFC	
5.	Member NG CDFC	Name of signatory (deposit bank account)

(c) Fiduciary Oversight Arrangements

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

P.O. Box 643-10205
Maragua Town
Kenol Muranga Road
KENYA.

(e) NGCDF MARAGUA Constituency Contacts

Telephone: (254) 716047883
E-mail: cdfmaragua.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF MARAGUA Constituency Bankers

1. Bank A. (Operations Account).
Equity Bank.
Kenol Branch
P.O. Box 75104-00200
2. Bank B. (Deposit account).
Equity Bank.
Kenol Branch
P.O. Box 75104-00200
3. Bank C. (PMC Accounts)
Equity Bank.
Kenol Branch
P.O. Box 75104-00200

(g) Independent Auditor

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




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(h) Principal Legal Adviser

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

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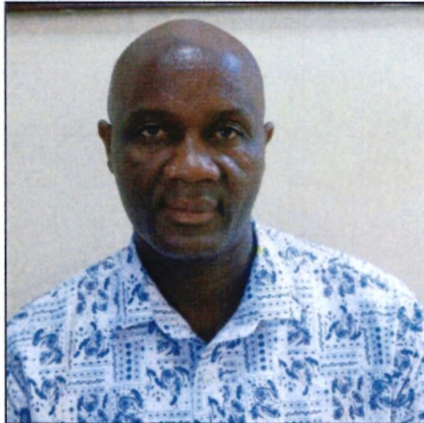
3. NGCDF Committee

Name	Details
<p>Ezekiel Gathiga Murira</p> 	<p>The Chairman is a retired teacher with a degree in education.</p>
<p>Simon Karanja Kamande</p> 	<p>The member is a form four finalist representing male adult.</p>
<p>Simon Kingori Mwaura</p> 	<p>The member is a graduate representing the youth.</p>
<p>Teresa Wanjiku Kariuki</p>	<p>The member is a form four finalist representing female adult.</p>

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<p>Tabitha Mumbi Kamau</p>	<p>The member is a form four finalist representing male adult.</p>
	
<p>Rosemary Waithera Njaramba</p>	<p>The member is a form four finalist representing female youth.</p>
	
<p>Zakayo Waithaka Kimani</p>	<p>The member is a form four finalist representing people living with disabilities.</p>

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Derek Kibe Nyambura

The member is a form four finalist representing co-opted Board member.



Peter Kamau Wagereka

The Fund Account Manager. The officer holds a Masters in Business Administration from The University Of Nairobi.



Kenneth Murungi

4. NG-CDFC Chairman's Report Mr. Ezekiel Gathiga Murira



I am pleased to present to you the annual report and financial statements for the financial year 2024-2025 for Maragua Constituency on behalf of the Maragua NG-CDF committee. In the year under review, the constituency received Kshs. **188,414,052.19** from the board and had an opening cash book balance and PMC balances of Kshs. **83,068,680** the Constituency spent Kshs **201,517,466** and closed with a cashbook, PMC and Deposit balances of Ksh. **103,196,482**

Which was 90% absorption. My committee prioritized implementation of the following projects.

Kaharo Primary School	Renovations of 5 classrooms to completion: Flooring, walling, roofing, painting, electricity, doors & windows, and interior plastering.
Ikundu Primary School	Renovations of 5 classrooms to completion: Flooring, walling, roofing, painting, electricity, doors & windows, and interior plastering.
Maragua Primary School	Renovations of 5 classrooms to completion: Flooring, walling, roofing, painting, electricity, doors & windows, and interior plastering.
Maragua Township Primary School	Construction of a classroom to completion
Gikomora Primary bSchool	Renovations of 5 classrooms to completion: Flooring, walling, roofing, painting, electricity, doors & windows, and interior plastering.
Kambiti Primary School	Renovations of 4 classrooms to completion: Flooring, walling, roofing, painting, installation of electricity, doors & windows, and interior plastering.

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Matanya Primary School	Construction to completion of 1 block of 8 door latrines for boys and girls with 2 chambers for Persons with Disabilities and urinal for boys.
Huho-ini Primary School	Renovation to completion of 4 classrooms: Re-roofing, flooring, paintings and installation of doors and windows.
Muchagara Primary School	Construction of a 2-door staff toilet to completion with one chamber for people with disabilities.
Kiambaa Primary School	Construction to completion of 8 cubicle Boys toilet block with urinal and one chamber for Persons with Disabilities.
Kaharati Primary School	Construction to completion of 2 blocks of 8 door latrines for boys and girls with 2 chambers for Persons with Disabilities and urinal for boys.
Gathaiti Primary School	Construction of 1 classroom to completion Kshs, 1,100,000. Gate construction and fencing with kakuzi treated poles and barbed wire Kshs. 900,000.
Igiriko Primary School	Renovation to completion of 5 classrooms: Re-roofing, flooring, paintings and installation of doors and windows
Kihara Primary School	Borehole pump and solar panel installation (3Kva 3000 Watts 80A MPPT Solar) at Kshs.500, 000.
Karungangi Primary School	Renovation to completion of 4 classrooms: Re-roofing, flooring, paintings and installation of doors and windows
Kamakuri Primary School	Purchase of land size 0.035 Ha.
Senior Chief Gichohi Primary School	Renovation to completion of 4 classrooms: Re-roofing, flooring, paintings and installation of doors and windows
Karugu Primary School	Construction of 2 classrooms to completion
Kaharo Girls Secondary	Construction of a kitchen to completion

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School	
ST. Paul Gituamba Secondary School	Additional funds for a 45 student's capacity laboratory. Works to be done are plumbing works, Gas installation, Electrical work.
Munguini Secondary School	Completion of laboratory windows, doors, painting and finishes.
Ichagaki Mixed Secondary School	Construction of a 700- capacity Dining hall. The first phase will include the foundation, walling to lintel level.
Mihango Secondary School	Land purchase 0.7765 acres
Kaharati Secondary School	Construction of an 8 rooms administration block Kshs 3,000,000.00 to roofing level and 1 block 8 door toilets for boys and girls Kshs 1,100,000.00 to completion.
Mithini Secondary School	Phase II additional funds for completion of a 500-capacity dining from lintel, windows, doors, painting and finishes.
Makuyu Boys High School	Additional funds to construction of 700 capacity dining hall from roofing, doors, windows interior and exterior finishes to completion. The NG CDFC has already forwarded minutes about the same for change of activity to the Board.
Makuyu Boys High School	Construction of a kitchen and stores to completion
Mutithi Secondary School	Completion of a 45- capacity laboratory. Works to be done are windows, doors, painting and finishes.
NG-CDFC Office Maragua	Renovation to completion of 8 rooms: Flooring and tilling, paintings and plumbing works.
Maragua Police Station	Construction of a perimeter wall 150 meters and gate to completion
Wathiani Assistant Chiefs Office	Construction to completion of 2 door toilet blocks with a chamber for people with disabilities and urinal. (Ichangai is 2 blocks of 6 door toilets. Also, the soil texture is different).
Sabasaba Chiefs Office	Six (6) capacity office renovations, tilling, paintings, installation of doors and windows and roofing.
Kamahuha Chiefs Office	construction to completion of a 3 roomed Office

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Kenol Law Courts	Construction of Kenol law court to completion (We are waiting for the documents from judiciary).
Ichangai Police Station	Construction to completion of 2 blocks of 6 door toilets with a chamber for people with disabilities and urinal.
Makuyu Chiefs Hall Digital Hub	Makuyu Chiefs Hall Digital Hub

In this financial year we were able to award bursaries to beneficiaries from the constituency in secondary schools and tertiary institution. We also managed to implement some projects with the money that was disbursed to the constituency account.

Below are some pictorials.

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Karugu primary school 5 classrooms and administration block



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Igikiro primary school 8 door toilet block for girls



P K Primary school one storey classrooms two in number

THE FOLLOWING ARE THE EMERGING ISSUES

- Lack of sewer line drainage within the constituency which pushes the cost of building modern toilets high.
- Rising cost of living should open new sectors or functions under National Government that NG-CDF can set in and help caution the constituents.
- Delays in deployment of teacher to the new schools, and the registration process of the school remains an issue that is yet to be concluded.

The following are the recommendation and what the committee is doing to overcome them.

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- Following the training of ward bursary committee, this year we have we have ensured 95% of those vetted and awarded were the rightful beneficiaries of the bursaries. They have been trained on best practises of vetting following the criteria set to ensure standard vetting procedure.
- The NG - CDF relies fully on ministerial technical departments for support in areas of Bill of Quantities, technical design and supervision of projects, delays normally occur as the personnel involved are not under direct control of NG - CDFC. The NG - CDF Board should have its own technical experts to enhance efficiency in project implementation.

We humbly look forward to working very closely with the NG – CDF Board with a view to enhancing accountability and efficiency in project management

I wish to sincerely thank the Member of National Assembly Hon. Mary Waihera Wamaua. NGCDF Committee, Office of the Auditor General, NG-CDFC staff, Project Management Committees, the Sub County Accountant, and other stakeholders for the cooperation. Without them we could not achieve our mandate to the people of Maragua Constituency.

EZCKIEL MURIRA

Name EZCKIEL G. MURIRA
Chairman NGCDF Committee

5. Statement of Performance against Predetermined Objectives for FY2024/25

Introduction

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

The key development objectives of the *NGCDF Maragua Constituency 2023-2027* plan are to:

1. *Education*
2. *Security*
3. *Climate Change*
4. *Emergency*
5. *Social security*

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2024/25 -we increased number of classrooms/dormitories/laboratories etc. from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules</i>
Security	Equip, facilitate and enhance capacity of provincial administration	Develop and enhance provincial administration and other security	Number of usable physical infrastructure built in locations, sub-locations and police stations	Number of renovated chief offices increased from 12 to 15

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	and other security organs in order to improve service delivery	organs in order to improve service delivery		
Climate change mitigation activities	To enhance environment conservation by increasing the tree cover	Increased tree cover	The number of trees planted within the constituency increased	Number of trees planted within the environmental program increased from 12000 to 16,000
Emergency	Cater for unforeseen occurrences in the constituency	Swift response to unforeseen occurrences	The number of unforeseen events addressed within the financial year	Number of projects increased from 5 to 7

6. Governance Statement

Introduction

This report entails the process of appointment and removal of NG-CDF Members, roles and functions of the committee, Induction and training of members, Number of meetings held Disclose policy on conflict of interest, Members remuneration, Ethics and conduct and risk management.

Procedure of Appointment of Members

The appointment of the 9 committee members was subjected to the provision in the National Government Constituencies Fund Act no.30 of 2015:

- (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 a male and female youth nominated in accordance with subsection (3).
- (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.

Induction

The committee members were introduced to their responsibilities during their first meeting on February 10, 2025.

The Chairperson was appointed and their core-business outlined out to them on what they were expected to and what they were to expect even as they serve in the same capacity.

Removal of the NGCDF Committee Member

The removal process of any member is imposed to the provisions of the NG-CDF Act.

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

Roles and functions of the committee

The responsibilities of the NGCDF Board Committee Includes:

1. Allocation of Funds to the projects considering bill of quantity estimates.
2. Assess projects before, during and after undertaken.
3. Prepare strategic plan for the constituency.
4. Coordinate and review reports from the NGCDF employees.
5. Employ staff needed to run specific roles at the NGCDF Office.

Trainings

In the financial year 2024/2025 our Board Committee had a chance to attend training twice at Mombasa to enhance their effectiveness to handle their responsibilities.

These trainings are to equip them with needed skills and values to hold their responsibilities, effectively execute viable decision by teaching them the parameters of decision making.

Capacity building to facilitate a responsible and an objective oriented committee to facilitate well defined goals in their development's meetings.

Number of meetings

The NGCDF Committee has managed to have 12 meetings within the financial Year 2024/2025 which inclines to the provision of the act to have less 24 meetings but more than 6.

Disclose Policy on Conflict of Interest

Conflict of interest has always been part of the agenda in their meetings but there has been not even one member who has raised any.

Remuneration

The Committee members do not have a defined monthly salary; they receive a 5,000/= allowance per sitting for members and 7,000 for the Chairman.

Ethics and Conduct

To ensure that order and ethics are esteemed, there are aspects over-emphasized in the membership.

- a. Confidentiality
- b. Integrity.
- c. Willingness.
- d. Openness
- e. Transparency.

Members take oath into office before they begin their service.

Risk Management

To ensure that all risks are managed well.

1. Through the risk management platform.
2. Project Management Committee oversees all the projects being undertaken.
3. Creation of a good working environment at the office for working.
4. Consideration of bill of quantities before allocation of finances.
5. Appropriate mechanism put up to facilitate effective bursary issuance.
6. Allocation of enough funds ongoing projects to prevent under-budgeting.
7. Constant and continuous assessment of NGCDF Projects.
8. There is well structured channel between the Board and the Constituency.
9. There is provision of inflation in the Bills of quantity.
10. There is well fitted security at the office, site where projects are undertaken and during assessment.

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11. Continuous and constant capacity building of the employees, Board members and the stakeholders for the effectiveness.



7. Management Discussion and Analysis

Introduction

The key development objectives of the *NGCDF Maragua Constituency 2023-2027* plan are to:

4.2 Strategic Objectives

The strategic objectives and the strategies to be pursued will be at the core of the constituency's functions over the next five (5) years. The strategic matrix is presented in the table below.

Strategic Theme	Strategic Objective	Strategies/Activities
Access to quality education	To improve access, affordability and availability of quality education	Expansion of schools through rehabilitation/renovation/construction of classrooms in various primary and secondary schools in the constituency
		Provision of access roads to education facilities
		Construction/rehabilitation/equipping of laboratories in secondary and primary schools in the constituency.
		Supply of desks/lockers to schools
		Levelling of school field (landscaping)
		Rehabilitation/Renovation/Construction of multipurpose halls in schools (including kitchens)
		Rehabilitation/ Renovation/Construction of libraries in secondary and primary schools
		Rehabilitation/ Renovation/Construction of dormitories in secondary schools
		Rehabilitation/Renovation/Construction of toilet blocks in both primary and secondary schools
		Construction of staff houses
		Supporting education institutions to acquire title deeds
		Connecting education facilities to

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		electricity
		Provision of bursary to needy and bright secondary school/tertiary institutions' students
		Construction of administration Block
		Organizing and holding education days, meetings with school headship
		Supporting counselling programmes in schools
		Provision of water harvesting structures
		Fencing of schools
		Monitoring performance in schools through provision of mock exams/other interventions and implementing rewards and sanctions
Strategic Theme	Strategic Objective	Strategies/Activities
		Hold education days and sensitization of teachers
Youth Empowerment	To empower the youth and harness their talent	Conducting campaigns (on Drugs and substance abuse, HIV and AIDS, establishment of youth groups
		Accessing devolved funds and joining technical institutes)
		Capacity building of youth and women on entrepreneurship and Construction of ICT Hubs
Emergency Support	To improve preparatory and response mechanisms in in the constituency	Catering for any unforeseen occurrences in the constituency (on education and security)
Climate Change Adaptation	To improve environmental sustainability and climate change mitigation	Tree planting and support to youth and women groups to establish tree nurseries
		Provision of water harvesting structures to schools and NGAO Offices
Security	To improve security preparedness and service delivery in the	Rehabilitation/ Renovation/Construction of chief's, Ass. Chiefs and Commissioners' offices
		Renovation/Construction of chief's, Ass. Chiefs and Commissioners' offices
		Construction/rehabilitation of Police Stations/AP Offices and police/AP houses
Tracking of results	To strengthen performance measurement mechanisms	Capacity Building of NG-CDFC's and PMC's
		Develop and implement an M&E reporting template

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		Develop and implement projects implementation guideline/standard
		Organizing regular projects monitoring field visits
		Review of the strategic plan
Institutional Strengthening	To strengthen the CDF Office to deliver on its mandate	Purchase of working tools and equipment
		Organize bonding session for staff and constituency office
		Organize meetings with county leadership



Name *Peter Wasereka*
 Fund Account Manager

8. Environmental and Sustainability Reporting

Maragua NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and digital technology. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

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

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

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2. Environmental performance

The environmental policy addresses local environment challenges aligned with national environmental policies and promote sustainable practices. Key elements include public participation, capacity building, conservation, pollution control and waste management.

- The Maragua NG-CDF intends to support students in the schools identified for the environmental projects to carry out environmental conservation activities e.g. planting trees and nurturing once in an academic calendar
- During the tree planting exercise, the school children will be sensitized on the impact of drugs.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. xxx 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-

Maragua 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 honoring 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 honoring contracts and respecting payment practices.
- c) Responsible for marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

5. Community Engagements-

Maragua 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 in the community through community projects.

Public Participation in Project Identification, Implementation, and Monitoring

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

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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.

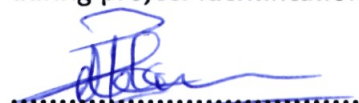
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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.

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



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

***National Government Constituencies Development Fund (NGCDF)
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The Accounting Officer in charge of the NGCDF Maragua 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- Maragua Constituency financial statements were approved and signed by the Accounting Officer on 03/12/ 2025.


.....
Name: EZEKIEL S. MAKIRA
Chairman – NGCDF Committee


.....
Name: PETER WASEVCKA
Fund Account Manager

REPUBLIC OF KENYA

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Maragua Constituency set out on pages 1 to 73, which comprise of the statement of financial position as at 30 June, 2025 and the

Report of the Auditor-General on the National Government Constituencies Development Fund – Maragua Constituency for the year ended 30 June 2025

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

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

Basis for Qualified Opinion

1. Inaccuracies of the Presentation, Disclosures and Balances in the Financial Statements

- i. The statement of financial position reflects accumulated reserves of Kshs.135,478,522. However, the balance has been erroneously reflected under revaluation reserves column in the statement of changes in net assets instead of accumulated surplus.
- ii. The statement of financial performance reflects a balance of Kshs.4,266,033 in respect of employee cost as disclosed in Note 10 to the financial statement. The balance includes Kshs.2,614,790 in respect of basic salaries. However, review of the payroll revealed the amount relates to gross salary which include other allowances which have not been disclosed in the Note.

In the circumstances, the accuracy and completeness of presentation of balances and disclosures in the financial statement could not be confirmed.

2. Unsupported Bursary Payments

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects Kshs.73,045,824 for other grants and transfers. Included in the amount is bursary payment of Kshs.49,233,085 disbursed to secondary schools and tertiary institutions. However, the total bursary payments of Kshs.30,030,254 were not supported by evidence of acknowledgement in form of receipts and letters from the beneficiary institutions on accountability for bursary payments.

In the circumstances, the accuracy and completeness of bursary payments could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Maragua 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 on comparable basis of Kshs.342,086,000 and Kshs.304,713,948 respectively resulting to budget shortfall of Kshs.37,372,052 or about 11% of the budget.

The underfunding affected the planned activities and that may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other 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 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.

No	Financial Year	Audit Issue
1	2023/2024	Lack of Acknowledgement for Funds Disbursed
2	2023/2024	Unexplained Variance
3	2023/2024	Unsupported Expenditure
4	2023/2024	Variance on Bursary Expenditure.

Other Information

The Management is responsible for the Other Information set out on page iii to xxxiv which comprise of Key Constituency Information and Management, NG-CDF Committee,

NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Affirmative Action

Staff records revealed the Fund has a staff capacity of six (6) who come from one ethnic background representing 100% of the total work force contrary to section 7(1) of the National Cohesion and Integration Act 2008. Further, the Management did not allocate 5% of employment opportunities to persons with disability in engagement of its workforce contrary to Section 13 of persons with disability Act, 2003 which requires public entities to allocate at least 5% of the employment opportunities to persons with disability.

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

2. Non-Compliance with NG-CDF Regulations on Committee Appointment Letters

During the year under review members of the Constituency Development committee were gazetted. However, no evidence was provided to confirm the Members were formally notified in writing in compliance with Regulation 5(13) of the NG-CDF Act 2016.

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

3. Other Government Unit Actual Expenditure

Statement of financial performance reflects other grants and transfers of Kshs.111,401,645 as disclosed in Note 13 to the financial statements. The balance includes primary school actual expenditure of Kshs.69,990,653 and secondary school expenditure of Kshs.41,410,992. Audit review of contract management and implementation of projects revealed the following unsatisfactory observations;

- i. Project management committee members were appointed per ward rather than per project as required by the regulation 15 (1) of the NG-CDF regulations, 2016 which requires PMC members to be appointed per project. In addition, appointment letters for the PMC members appointed to the different projects during the year during the year under review were not provided for audit.
- ii. Four (4) primary schools projects with funds disbursed amounting to Kshs.13,550,000 implemented during the year under review had several anomalies which includes change of scope of project activity, failure to implement project as per the bill of quantities, visible cracks and poor quality of workmanship.
- iii. Two (2) secondary school projects amounting to Kshs.3,388,710 had anomalies which includes lack of approval of variation orders issued by the Project Management Committee and change project activity without approval.

In the circumstances, the effectiveness of utilization of public resources and value for money could not be confirmed.

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

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

Conclusion

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

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 National Government Constituency Development Fund Board

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

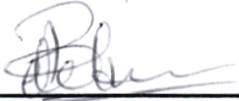
04 December, 2025

*National Government Constituencies Development Fund (NGCDF)
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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
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,053
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	42,000
Total revenue		188,456,053
Expenses		
Employee costs	10	4,266,033
Committee expenses	11	5,809,000
Use of Goods and Services	12	9,874,736
Other Government Units Actual expenditure	13	111,401,645
Other Grants and Transfers Actual expenditure	14	73,045,824
Depreciation and amortization expense	15	149,640
Digital Hubs Expenses Actual expenditure	16	70,000
Total expenses		204,616,878
Other gains/losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/Deficit) for the year		(16,160,825)

The Constituency financial statements were approved by the NGCDFC on 03/12/ 2025 and signed by:

EZEKIEL MURIRAT SUSANI MAINA 
 Chairman NG-CDF National Sub-County Fund Account Manager
 Committee Accountant
 Name: Name: SUSANI MAINA Name:

EZEKIEL S. MURIRAT ICPAK M/No: 20698 PETER WAGGALU

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

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

	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	103,196,482	83,068,680
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	37,414,052	70,603,267
Prepayments	22	10,787	-
Total Current Assets		140,621,321	153,671,947
Non-Current Assets			
Property, Plant and Equipment	23	349,160	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		349,160	-
Total Assets (A)		140,970,481	153,671,947
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	4,018,517	2,032,601
Lease Liabilities	28	-	-
Gratuity Provision	29	1,473,442	-
Total Current Liabilities		5,491,959	2,032,601
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		5,491,959	2,032,601
Net Assets (A-B)		135,478,522	151,639,346
Represented by:			
Revaluation Reserves			

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

Accumulated Surplus		135,478,522	151,639,346
Total Net Assets		135,478,522	151,639,346

The Constituency financial statements set out on pages 2 to 6 approved by NG CDFC on 02/12/ 2025 and signed by:

<u>EZEKIEL MURINA</u>	<u>SUSAN MAINA</u>	<u>[Signature]</u>
Chairman NG-CDF Committee	National Sub-County Accountant	Fund Account Manager
Name: <u>EZEKIEL G. MURINA</u>	Name: <u>SUSAN MAINA</u> ICPAK M/No: <u>20698</u>	Name: <u>PETER WASEPCKA</u>

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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	76,626,138	-	76,626,138
Adjustments			
Recognition of Assets	77,045,809		77,045,809
Recognition of Liabilities	2,032,601		2,032,601
As at July 1, 2024	151,639,346		151,639,346
Surplus/(Deficit) For the Period	(16,160,825)		(16,160,825)
Revaluation Gain/Loss	-	-	-
Accumulated Surplus As at June 30, 2025,	135,478,522	-	135,478,522

Note:

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

*National Government Constituencies Development Fund (NGCDF)
Maragua 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
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		221,603,268
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		42,000
Total Receipts		221,645,268
Payments		
Employee costs		2,792,591
Committee expenses		5,809,000
Use of Goods and Services		9,885,522
Other Government Units Certified Works		109,376,154
Other Grants and Transfers		73,085,399
Digital Hubs Expenses		70,000
Total Payments		201,018,666
Net Cash Flows from/ (used in) Operating Activities	28	20,626,602
Cash flows From Investing Activities		
Purchase of PPE		498,800
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		498,800
Net increase/(decrease) in cash & Cash equivalents		20,127,802
Cash Flows from Financing Activities		
Lease Payment		-

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

Net Cash Flows from Financing Activities		20,127,802
Cash and cash equivalents at 1 July 2024	19	83,068,680
Cash and cash equivalents at 30 June 2025	19	103,196,482

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

National Government Constituencies Development Fund (NGCDF)
Maragua 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
	2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	188,414,053	83,068,680	70,603,267	342,086,000	304,713,948	37,372,052	89.1%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	42,000	-	42,000		42,000	
Totals	188,414,053	83,110,680	70,603,267	342,128,000	304,713,948	37,414,052	89.1%
Expenses							
Employee costs	3,923,494	2,357,058	-	6,280,552	2,792,591	3,487,961	44.5%
Committee expenses	5,877,613	837,222	-	6,714,835	5,809,000	905,835	86.5%
Use of Goods and Services	7,156,158	3,758,402	-	10,914,560	10,384,322	530,238	95.1%
Other Government Units Certified Works	76,488,710	48,472,543	54,844,550	179,805,803	109,376,154	70,429,650	60.8%
Other Grants and Transfers	88,340,745	25,076,109	5,200,000	118,616,854	73,085,399	45,531,455	60.1%
Digital Hubs Expenses	6,627,333	2,244,100	10,558,717	19,430,150	70,000	19,360,150	0.36%

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	$f=d/c*100$
	2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Funds Pending Approval**	-	365,245	-	365,245	-	365,245	
Total Expenditure	188,414,053	83,110,679	70,603,267	342,127,999	201,517,466	140,610,533	58.4%
Surplus for the period	-	1	-	1	103,196,482	(103,196,482)	

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

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Explanatory Notes.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	140,610,533
Less undisbursed funds receivable from the Board as at 30 th June 2025	37,414,052
Cash and Cash Equivalents at the end of the 30 th June 2025	103,196,481

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 03/12/ 2025 and signed by:


Fund Account Manager

Name: PETER WASEKWA

SUSAN MURIRA
National Sub-County Accountant

Name: SUSAN M. MURIRA
ICPAK M/No: 20698

EZEKIEL MURIRA
Chairman NG-CDF Committee

Name: EZEKIEL MURIRA

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,923,494	2,357,058		6,280,552	2,792,591	3,487,961
1.2 Committee allowances	3,749,088	830,738		4,579,826	4,534,000	45,826
1.3 Use of goods and services	3,632,261	67,111		3,699,372	3,664,166	35,206
Sub-total	11,304,843	3,254,907	-	14,559,750	10,990,757	3,568,993
2.0 Monitoring and evaluation						
2.1 Capacity building	2,423,897	3,633,172		6,057,069	6,027,000	30,069
2.2 Committee allowances	2,128,525	6,484		2,135,009	1,275,000	860,009
2.3 Use of goods and services	1,100,000	58,119		1,158,119	693,156	464,963
Sub-total	5,652,422	3,697,775	-	9,350,197	7,995,157	1,355,040
4.0 EMERGENCY						
Unutilized	9,916,529	8,404,895		18,321,424	2,963,360	15,358,064
Kianjiruini Primary School						
Igikiro Boys Secondary School						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	9,916,529	8,404,895	-	18,321,424	2,963,360	15,358,064
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	30,103,513	1,832,220		31,935,733	32,634,085	(698,352)
5.3 Tertiary Institutions	17,000,000	913,302		17,913,302	16,599,000	1,314,302
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	47,103,513	2,745,522	-	49,849,035	49,233,085	615,950
7.0 ENVIRONMENT						
Environment PMC A/C	9,420,703	5,377,570		14,798,273	11,131,175	3,667,098
Sub-total	9,420,703	5,377,570	-	14,798,273	11,131,175	3,667,098

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
8.0 Primary Schools Projects						
GIKOMORA PRY SCHOOL	2,500,000			2,500,000		2,500,000
IKUNDU PRY SCH	2,500,000			2,500,000	5,141	2,494,859
KAHARO PRY SCHOOL	2,500,000			2,500,000		2,500,000
HUHOINI PRY SCHOOL	2,000,000			2,000,000		2,000,000
MATANYA PRY SCHOOL	1,000,000			1,000,000		1,000,000
KAHARATI PRY SCHOOL	1,100,000			1,100,000		1,100,000
MARAGUA PRIMARY SCH	2,500,000			2,500,000		2,500,000
KIHARA PRY SCHOOL	500,000			500,000		500,000
KAMBITI PRY SCHOOL	2,000,000			2,000,000		2,000,000
MUCHAGARA PRY SCH	500,000			500,000		500,000
MARAGUA TOWNSHIP PRIMARY SCH	1,300,000	4,323,170	7,100,000	12,723,170	11,114,564	1,608,606
KIAMBAA PRIMARY SCH	1,100,000	1,000,000		2,100,000	980,238	1,119,762
GATHAITI PRIMARY SCHOOL	2,000,000		1,300,000	3,300,000	1,296,305	2,003,695
IGIKIRO PRIMARY SCHOOL	2,500,000		1,800,000	4,300,000	1,688,642	2,611,358
KARUNGANGI PRIMARY SCH	2,000,000		1,000,000	3,000,000	918,503	2,081,497
SENIOR CHIEF GICHOHI PRIMARY SCH	2,000,000			2,000,000		2,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
KARUGU PRIMARY SCHOOL	3,000,000	6,350,000		9,350,000	8,991,802	358,198
KAMAKURI PRIMARY SCHOOL	3,800,000	233,130		4,033,130	3,875,380	157,750
PETER KARIUKI PRY SCH		788,928	2,600,000	3,388,928	3,075,430	313,498
MANGOTO PRIMARY SCH		2,824,256		2,824,256	2,574,736	249,520
ICHAGAKI PRY SCH		1,000,000		1,000,000	944,584	55,416
THAARA PRY SCHOOL		2,198,706		2,198,706	2,171,990	26,716
PERCY DAVIES SPECIAL SCH		120,000		120,000		120,000
GATHUNGURI PRY SCH		1,327,925	1,300,000	2,627,925	2,402,879	225,046
GATHUNGURURU PRY SCH		3,000,000		3,000,000	2,847,507	152,493
IHUMBU PRY SCH		350,000		350,000		350,000
IREMBU PRIMARY		22,710	1,407,683	1,430,393	1,333,639	96,754
NGINDA PRIMARY		108,118	3,100,000	3,208,118	1,706,000	1,502,118
KIANJIRUINI PRIMARY		144,730	1,300,000	1,444,730	1,358,050	86,680
NDEERA PRIMARY		183,804	1,300,000	1,483,804	1,340,395	143,409
THANGIRA PRIMARY		102,220	1,300,000	1,402,220	1,333,759	68,461
MAREMA PRIMARY		38,257	1,300,000	1,338,257	1,317,786	20,471
MARANJAU PRIMARY		154,745	1,407,000	1,561,745	1,417,424	144,321
WATHIANI PRY SCHOOL		41,283	1,500,000	1,541,283	972,373	568,910

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
KIRIMIRI PRY SCHOOL		67,924		67,924	57,156	10,768
IGANJO PRY SCHOOL		79,813		79,813		79,813
KAHAINI PRY SCH		89,815		89,815	74,190	15,625
KIUGUINI PRY SCHOOL		64,760		64,760	64,470	290
KANGANGU PRIMARY SCH		20,308		20,308	6,269	14,039
KAMUIRU PRY SCHOOL		16,450		16,450		16,450
MUGUMO PRY SCH		98,574		98,574		98,574
ITAARA PRIMARY SCHOOL		65,070		65,070	43,330	21,740
PUNDAMILIA PRY SCHOOL			900,000	900,000	851,637	48,363
COLLEGE PRIMARY SCH			1,407,683	1,407,683	1,244,401	163,282
KIMORORI PRIMARY			1,300,000	1,300,000	1,233,698	66,302
KIYO PRIMARY			1,407,000	1,407,000	1,334,099	72,901
MAKUYU PRIMARY		6,923	1,300,000	1,306,923	1,231,323	75,600
NYATI PRIMARY			1,300,000	1,300,000	1,230,753	69,247
GITHANJI PRIMARY			1,300,000	1,300,000	1,234,976	65,024
SABASABA PRY SCHOOL			2,000,000	2,000,000	1,779,409	220,591
MIHANGO PRIMARY SCH			1,500,000	1,500,000		1,500,000
NYAGACUGU PRY SCH			500,000	500,000	456,180	43,820
MUNGUINI PRY SCH			1,000,000	1,000,000	942,027	57,973
GITHUYA PRY SCH			1,500,000	1,500,000		1,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
MUTITHI PRY SCHOOL			1,800,000	1,800,000	951,602	848,398
KIAMBAMBA PRY SCHOOL			1,800,000	1,800,000	1,683,867	116,133
HWN TRANSPORTERS LTD			480,000	480,000	412,000	68,000
				-		-
Sub-total	34,800,000	24,821,616	47,209,366	106,830,982	68,498,514	38,332,469
9.0 Secondary Schools Projects (List all the Projects)						
KAHARO GIRLS SEC SCH	4,000,000	4,011,068		8,011,068	4,000,000	4,011,068
ST PAUL GITUAMBA SEC SCHOOL	888,710	5,800,000		6,688,710	6,673,510	15,200
ITAAGA SECONDARY SCH	13,500,000			13,500,000	13,500,000	-
MUNGUINI SECONDARY SCH	3,000,000		2,000,000	5,000,000	1,883,227	3,116,773
ICHAGAKI MIXED SEC SCHOOL	4,500,000			4,500,000		4,500,000
KAHARATI SECONDARY SCHOOL	4,100,000	18,793	2,500,000	6,618,793	2,347,046	4,271,747
MITHINI SECONDARY SCHOOL	3,500,000	2,648,140		6,148,140	2,520,742	3,627,398
MAKUYU BOYS HIGH SCHOOL	4,500,000	4,090,872	1,985,184	10,576,056	3,694,655	6,881,401

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
MUTITHI SECONDARY SCHOOL	2,000,000	3,000,000		5,000,000	2,846,760	2,153,240
MIHANGO SECONDARY SCHOOL	1,700,000	37,050		1,737,050	900,000	837,050
KARUNGANGI SEC SCHOOL		2,699,533		2,699,533	2,391,350	308,183
GIKOMORA SEC SCHOOL		109,200		109,200	73,200	36,000
HUHOINI SEC SCH		109,629		109,629		109,629
IKUNDU SEC SCHOOL		143,668		143,668		143,668
SENIOR CHIEF SEC SCHOOL		982,975		982,975	47,150	935,825
KANGANGU SEC SCHOOL			1,150,000	1,150,000		1,150,000
Sub-total	41,688,710	23,650,927	7,635,184	72,974,821	40,877,640	32,097,181
10.0 Tertiary institutions Projects (List all the Projects)						
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
MARAGUA POLICE STATION	3,000,000			3,000,000		3,000,000
WATHIANI ASSISTANT CHIEF OFFICE	800,000		1,800,000	2,600,000		2,600,000
SABASABA CHIEF OFFICE	1,000,000			1,000,000		1,000,000
KAMAHUHA CHIEFS' OFFICE	2,500,000			2,500,000		2,500,000
ICHAGAI POLICE STATION	1,600,000	3,034,285		4,634,285	3,899,743	734,542
KENOL LAW COURTS	13,000,000	16,899		13,016,899		13,016,899
MAKUYU CHIEFS' HALL		5,188,010		5,188,010	4,658,072	529,938
MUTITHI ASSISTANT CHIEFS' OFFICE		75,000		75,000		75,000
ITAAGA CHIEFS' OFFICE		75,000		75,000		75,000
MURANGA SOUTH DCC HALL		97,536		97,536	89,246	8,290
MIHANGO CHIEFS' OFFICE		61,392		61,392	47,094	14,298
KENOL POLICE STATION			1,000,000	1,000,000	682,717	317,283
KAMBITI CHIEFS' OFFICE			400,000	400,000	380,907	19,093
KIMORORI ASSISTANT CHIEFS' OFFICE			2,000,000	2,000,000		2,000,000
				-		-
				-		-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	21,900,000	8,548,122	5,200,000	35,648,122	9,757,779	25,890,343
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
Sub-total	-	-	-	-	-	-
13.0 Others						
MAKUYU CHIEFS' HALL DIGITAL HUB	4,500,000.00		-	4,500,000		4,500,000
NG-CDF OFFICE MARAGUA	2,127,333.22	1,558,701.00	1,558,717	5,244,751		5,244,751
SABASABA EDUCATION OFFICE		685,399.00	-	685,399		685,399
Strategic Plan						
Muranga South Dec Digital Hub			9,000,000	9,000,000	70,000	8,930,000
Sub-total	6,627,333	2,244,100	10,558,717	19,430,150	70,000	19,360,150

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Funds pending approval**				-		-
unapproved projects						
PMC Savings		246,245		246,245		246,245
AiA		119,000		119,000		119,000
Sub-total	-	365,245	-	365,245	-	365,245
TOTAL	188,414,053	83,110,679	70,603,267	342,127,999	201,517,466	140,610,533

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

17. Notes to the Financial Statements

1. General information

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

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 Maragua 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 Maragua has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for 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 recognize, measure and present information on right of use assets and lease liabilities. <i>Not applicable</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value, less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations are to be presented separately in the statement of financial performance. <i>Not applicable</i>
IPSAS 45:	<i>Applicable 1st January 2025</i>

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

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

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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

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b) Budget information

The original budget was approved by Parliament on xx June 20xx for the period 1st July 20XX to 30th June 20XX as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

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

d) Leases

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

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

e) Intangible assets

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

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

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (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 amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

After initial recognition, inventory is measured at the lower 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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

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.

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n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

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6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	188,414,053
Total	188,414,053

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024-2025
	Kshs
Rental Income	-
Income from sale of tenders	42,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere <i>(specify)</i>	-
Total	42,000

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10. Employees cost

	2024-2025
	Kshs
NG-CDFC Basic staff salaries	2,614,790
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,473,442
Employer Contributions Compulsory national social security schemes	136,920
Employer Contributions Compulsory Housing levy	37,431
Employer contributions to National Industrial Training Authority	3,450
Other Specify	-
Total	4,266,033

11. Committee Expenses

	2024-2025
	Kshs
Sitting allowance	1,661,000
Other Committee expenses	4,148,000
Total	5,809,000

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12. Use of Goods and services

	2024-2025
	Kshs
Utilities, supplies and services	34,408
Communication, supplies and services	48,900
Domestic travel and subsistence	600,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	2,552,000
Hospitality supplies and services	2,013,000
Insurance costs	90,165
Specialized materials and services	-
Office and general supplies and services	243,700
Fuel, oil & lubricants	434,087
Bank charges	2,283
Routine maintenance – vehicles and other transport equipment	166,932
Routine maintenance – other assets	214,261
Strategic plan expenses	3,475,000
Other operating expenses	-
Total	9,874,736

13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	69,990,653
Secondary Schools Actual expenditure	41,410,992
Tertiary Institutions Actual expenditure	-
Total	111,401,645

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14. Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	32,634,085
Bursary – tertiary institutions	16,599,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	9,718,204
Climate change mitigation projects	11,131,175
Emergency projects Actual expenditure	2,963,360
Roads projects Actual expenditure	-
Others specify	-
Total	73,045,824

15. Depreciation and Amortization Expenses

Description	2024-2025
	Kshs
Property Plant and Equipment	149,640
Intangible Assets	-
Total	149,640

16. Digital Hubs Expenses

Description	2024-2025
	Kshs
Construction/ renovation/ Actual expenditure	70,000
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	70,000

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, 0220291029972. (Operations account)</i>	59,844,535	76,626,138.00
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Equity Bank, 0890285606331 (Deposit account)</i>	1,473,442	-
<i>Name of Bank, account No. (PMC accounts)</i>	41,878,505	6,442,542.23
Total	103,196,482	83,068,680
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	37,414,052		70,603,267	
Outstanding imprest	-		-	
Total	37,414,052		70,603,267	
Ageing Analysis- Receivables from non-exchange transactions	2025	% of the total	Opening Balance	% of the total
Less than 1 year	37,414,052	100%	70,603,267	100%
Between 1-2 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	37,414,052	100%	70,603,267	100%

22. Prepayments

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	10,787		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	10,787		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	498,800
Additions	-	-	-	-	498,800	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	498,800	-	-	498,800
Depreciation And Impairment	-	-	-	-	-	-	-	-
Opening Balance Accumulated Depreciation 1 st July 2024 Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	149,640	-	-	149,640
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	149,640	-	-	149,640
Net Book Values	-	-	-	-	349,160	-	-	
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	349,160	-	-	349,160

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Valuation

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

23 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	498,800	149,640	349,160
Office Equipment, Furniture, And Fittings	-	-	-
Total	498,800	149,640	349,160

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

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

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24. Intangible Assets

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

25. Right-of use assets

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

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As At 30 June 2025. (Comparative Period)	-	-	-	-
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26. Trade and Other Payables

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

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27. Third-Party deposits

	2024-2025
	KShs
Retention as at 1 st July (A)	2,032,601
Retention held during the year (B)	4,910,861
Retention paid during the Year (C)	2,924,945
Closing Retention as at 30th June 2025 D= A+B-C	4,018,517

Retentions aging analysis.

	2024-2025	% of the total	Opening Statement 1st July 2025	% of the total
Less than 1 year	4,018,517	100%	2,032,601	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	4,018,517	100%	2,032,601	100%

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

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024-2025
	Kshs
Gratuity at the beginning of the year 1 st of July	-
Gratuity held during the year	1,473,442
Gratuity paid during the year	-
Total Gratuity Provision 30th June (A+B-C)	1,473,442

30. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the period before tax	(16,160,825)
Adjusted for:	
Depreciation	149,640
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	33,189,215
Changes in deferred income	-
Changes in Third party deposits	1,985,916
Changes in gratuity provision	1,473,442
Changes in payments received in advance	-
Changes in Prepayments	(10,786)
Net cash flow from operating activities	20,626,602

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

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	37,414,052	37,414,052	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	103,196,482	103,196,482	-	-
Total	140,610,534	140,610,534	-	-
As at 30 June 2024				
Receivables from exchange transactions	70,603,267	70,603,267	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	83,068,680	83,068,680	-	-
Total	153,671,947	153,671,947	-	-

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

Financial Risk Management

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

ii) Liquidity risk management

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

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

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

iii) Market risk

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

a) Foreign currency risk

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

b) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits.

This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

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

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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- 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
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June (Previous FY)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	2024-2025	Opening Statement 1 st July 2024

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	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalentents)	-	-
Gearing	-	-

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32. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,661,000	7,087,492
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	221,603,268	198,790,370
Total	223,264,268	205,877,862

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes
Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	0	-
Buildings and structures	-	-	0	-
Transport equipment	-	-	0	-
Office equipment, furniture, and fittings	-	-	0	-
ICT Equipment and Other ICT Assets	-	498,800	0	498,800
Other Machinery and Equipment	-	-	0	-
Intangible assets	-	-	0	-
Total	-	498,800	-	498,800

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

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

PMC	Bank	Account number	Bank Balance 30th June 2025	Bank Balance 30th June 2024
Mihango Primary School			1,500,000	
Maragua Township Primary School			308,606	323,170
Sabasaba Primary School			220,591	
Nyagachugu Primary School			43,820	
Gathungururu Primary School			152,493	
Punda Milia Primary School			48,363	
College Primary School			163,282	
Gathaiti Primary School			2,003,695	
Gathunguri Primary School			225,046	27,925
Githanji Primary School			65,024	
Irembu Primary School			96,754	22,710
Nginda Primary School			202,118	108,118
Kianjiruini Primary School			118,560	144,730
Kimorori Primary School			66,302	
Kiyo Primary School			72,901	
Makuyu Primary School			75,600	6,923
Ndeera Primary School			143,409	183,804
Nyati Primary School			69,247	

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PMC	Bank	Account number	Bank Balance 30th June 2025	Bank Balance 30th June 2024
Thangira Primary School			68,461	102,220
Marema Primary School			20,471	38,257
Maranjau Primary School			144,321	154,745
Mangoto Primary School			249,520	824,256
Thaara Primary School			26,716	
Percy Davies Primary School			120,000	
Ichagaki Primary School			55,416	
Karugu Primary School			358,198	
P K Primary School			313,498	8,928
Kiambaa Primary School			19,762	
Kirimiri Primary School			10,768	67,924
Iganjo Primary School			79,813	79,813
Kahaini Primary School			15,625	89,815
Wathiani Primary School			568,910	41,283
Kiugu-ini Primary School			290	64,760
Kangangu Primary School			14,039	20,308
Kamakuri Primary School			157,750	233,130
Kamuiru Primary School			16,450	16,450
Mugumo Primary School			98,574	98,574

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PMC	Bank	Account number	Bank Balance 30th June 2025	Bank Balance 30th June 2024
Itaara Primary School			21,740	65,070
Munguini Primary School			57,973	
Githuiya Primary School			1,500,000	
Igikiro Primary School			111,358	
Mutithi Primary School			848,398	
Kiambamba Primary School			116,133	
Karungangi Primary School			81,497	
Makuyu Boys High School			6,881,384	76,056
Karungangi Secondary School			308,183	199,533
Mithini Secondary School			127,398	148,140
Kaharo Girls Secondary School			3,348,461	511,068
Mutithi Secondary			153,240	
ST. Paul Gituamba Secondary School			15,200	
Gikomora Secondary school			36,000	109,200
Huho-ini Secondary School			109,629	109,629
Ikundu Secondary School			138,527	143,668
Senior Chief Gichohi Secondary School			935,825	982,975
Munguini Secondary School			3,116,773	
Kaharati Secondary School			4,271,747	18,793

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PMC	Bank	Account number	Bank Balance 30th June 2025	Bank Balance 30th June 2024
Kangangu Secondary School			1,150,000	
Mihango Secondary School			837,050	37,050
Igikiro Boys Secondary school			4,760	
Kenol Police Office			317,283	
Wathiani Assistant Chiefs Office			1,800,000	
Makuyu Chiefs Hall			529,938	488,010
Ichangai Police Station			734,542	34,285
Kenol Law Courts			16,899	16,899
Muranga South Deputy County Commissioners Hall			8,290	97,536
Mihango Chiefs office borehole			14,298	61,392
Kambiti Chiefs Office			19,093	
Kimorori Assistant Chiefs office			2,000,000	
Environment and Climate Change A/C			3,667,097	
Saba saba education office			685,399	685,399
Total			41,878,505	6,442,542

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/AUD/MARAGUA/NG-CDF/2023-2024 (03)	Lack of Acknowledgement for Funds Disbursed	The NG CDF Maragua has requested for the acknowledgement minutes from the PMCs and letters deposit to the bank by the Fund Manager.	All supporting documents were availed. Issues are yet to be resolved.	November 2025
	Use of Expired Contract	The above observation is true. However, there is a letter from the Chief of staff and Head of public service dated 15th May 2023 and from the Principal Secretary State department for public works extending the expired contract for a period	All supporting documents were availed. Issues are yet to be resolved.	November 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		of 8 weeks up to 30th June 2023 as per the attached letters.		
	Unsupported Expenditure	The above observation is supported by the attached schedule and sampled vouchers.	All supporting documents were availed. Issues are yet to be resolved.	November 2025
	Unsupported Sports Project	The supporting documents are attached and forwarded to the auditors.	All supporting documents were availed. Issues are yet to be resolved.	November 2025
	Unsupported Expenditure on Other Grants and Transfers	The observation is true. The bursary forms are now ready for verification as per the attached bursary form samples as attached. The variance is as a result of balances of bursaries not being disbursed and funds are in the bank as shown by the VBMS	All supporting documents were availed. Issues are yet to be resolved.	November 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		status report attached.		
	Lack of Inspection and Acceptance Certificate and Certificates of Practical Completion	The above observation during audit is true. However, the NG CDFC has since received the required reports from the committee on projects completion and photos of the projects as attached in appendix 7.	All supporting documents were availed. Issues are yet to be resolved.	November 2025
	Lack of Up-to-Date Fixed Assets Register	The above observation is true. The asset register is now updated. The NG CDFC is still trying to find the missing motorcycle logbook and has initiated the process of getting a duplicate logbook. The asset register is attached.	All supporting documents were availed. Issues are yet to be resolved.	November 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Lack of Ownership Document – Motorcycle Logbook.		All supporting documents were availed. Issues are yet to be resolved.	November 2025
	Inaccuracies in Cash and Cash Equivalents.	The cash book has been amended, and the extract and bank reconciliation statement is attached in appendix 9.	All supporting documents were availed. Issues are yet to be resolved.	November 2025
	Project Not Yet Started	11. Project Not Yet Started Observation Audit review of projects budgeted for by the Fund during the year indicates that the following projects totaling kshs. 22,070,008 as shown below has not yet been started although the funds were disbursed and are being held in their respective bank	All supporting documents were availed. Issues are yet to be resolved.	November 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		accounts. No explanation has been provided as to why the projects have not yet commenced and why the funds are laying idle in the accounts. Project Amount kshs 1 Makuyu Chief's Office Hall 5, 188,010 2 Ichangai Police station 1,789,200 3 Mangoto Primary school 2,795,207 4 Senior Chief Gachohi Secondary School 982,975 5 Kaharo Girls secondary school 4,011,067 6 Mithini secondary school 2,648,140 7 Makuyu Boys secondary school		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>4,090,855 8 Maragua Township Primary school 564,554</p> <p>Recommendation Management should explain why the funds were disbursed yet they have not been utilized on the intended projects.</p> <p>Management Response The above observation is true. The delay was caused by the PMCs formations and procurement process. However, the above projects are now implemented, and some phases are complete and others ongoing. The m&e report, photos and certificates of</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		payments are attached		
	Inadequate Allocation to Bursaries	The above observation is true. However, the NG CDFC in a meeting decided to allocate bursary funds below the maximum percentage because in statutory ceilings you are allowed to fund below but not above. This is due to demand for other projects.	All supporting documents were availed. Issues are yet to be resolved.	November 2025
	Failure to Reserve Funds for Emergency	The emergency funds were reserved in the 2023-2024 financial year as per the attached VBMS status report and approved code list by the Board.	All supporting documents were availed. Issues are yet to be resolved.	November 2025
	Lack of Policy Documents	The constituency has a risk management policy maintained by the NG CDFB at the	All supporting documents were availed. Issues are yet to be resolved.	November 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		headquarters and we report monthly and quarterly. The IT security policy is currently being implemented by the NG CDFC at the constituency level.		
	Delays in Project Implementation	The above observation is true. This was caused by funds disbursement delays by the treasury. However, the projects are being implemented as funds are availed. Attached are copies of received AIEs.	All supporting documents were availed. Issues are yet to be resolved.	November 2025



 Name **Peter Washeka**

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Fund Account Manager.