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OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - KAITI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025

OFFICE OF THE AUDITOR GENERAL
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KAITI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

National Government Constituencies Development Fund (NGCDF)

Kaiti Constituency

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and

Kaiti Constituency

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

- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Kaiti 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	Josefridah Mumbua Kameti
2.	National Sub-County Accountant	Gregory Mwanzia Mwaniki
3.	Chairman NGCDFC	Japheth Musyoki Nyalita
4.	Member NG CDFC	Winfred Nthenya Katunga

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kaiti 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) Kaiti constituency NGCDF Headquarters

P.O. Box 1-90301,
NG-CDF Kaiti Building,
Mukuyuni ACC's Compound,
Okia-Makueni,

(e) Kaiti constituency NGCDF Contacts

Telephone: (254) 0720 120 932
E-mail: cdfkaiti@cdf.go.ke
Website: www.go.ke

(f) NGCDF Kaiti Constituency Bankers

1. **Bank A. (Operations Account).**
Family bank ltd
Account name: Kaiti NG-CDF account
Account Number:088000024406
Branch: Wote
P.O. Box 1-90301
2. **Bank B. (Deposit account).**
Equity bank ltd,
Account name: kaiti NG-CDF Account
Account Number :0670285286920
Branch: wote
P.O. Box 1-90301
3. **Bank C (PMC ACCOUNTS)**
Family bank ltd
Account name: Various (as per annex 2)
Account Number: Various (as per annex 2)
Branch: Wote
P.O. Box 1-90301

Bank D (PMC ACCOUNTS)

Equity bank ltd

Account name: Various (as per annex 2)

Account Number: Various (as per annex 2)

Branch: Wote

P.O. Box 1-90301

Bank E (PMC ACCOUNTS)

KCB

Account name: Various (as per annex 2)

Account Number: Various (as per annex 2)

Branch: Wote

P.O. Box 1-90301

(g) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office



Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya





3. NGCDF Committee

NAME	DETAILS
<p>JAPHETH MUSYOKI NYALITA</p> 	<ul style="list-style-type: none"> • DOB-10/8/1982 • Education ;Bachelor of business administration (supplies and procurement management option) • Work experience 2017-2022 <ul style="list-style-type: none"> ✓ Kaiti constituency Position: Constituency Office Manager 2013-2017 <ul style="list-style-type: none"> ✓ Singerpole enterprises Position: Operation Manager 2010-2012 <ul style="list-style-type: none"> ✓ Tawakal communication ltd Mpesa agent manager
<p>ANGELA ITUMBI MUUMBI</p> 	<ul style="list-style-type: none"> • DOB-12/12/1992 • Education ;Diploma in hospitality and tourism management • Work experience intern 6 Months Intern. <ul style="list-style-type: none"> ✓ Gellian hotel machakos
<p>WINFRED NTHENYA KATUNGA</p>	<p>DOB -1/1/1969 Education ;Diploma in business management Work experience-2020 to date Self employed 2015-2019 Cheque print systems Position : production manager -consultant De La Rue currency and security print 2007-2010- production administration</p>

National Government Constituencies Development Fund (NGCDF)

Kaiti Constituency



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

	<p>2003-2007-production administrator assistant 2000-2003-CTC operator 1998-2000 law hill operator 1997-1998- cheque department as quality inspector 1997-sheet master counter 1996-1997-assistant human resource officer Hawk motors 1995-1996-typist/store keeper Sun flag textile company 1994-receptionist</p>
<p>DAVID MUTHINZIO MBATHA</p> 	<p>DOB -24/4/1997 Education ;Diploma in information technology Work experience Intern: Machakos law court Jan-march 2021</p>
<p>OLIVER MUTEVU MBUVA</p> 	<p>DOB-6/4/1979 Education ;Certificate in machine printing Work experience -Welder</p>
<p>FLORENCE MUTANIA MUTIE</p> 	<p>DOB 3/6/1998 Education ;KCSE Certificate Work experience -Tailor</p>

National Government Constituencies Development Fund (NGCDF)

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<p>RUTH NDUKU MWINZI</p> 	<p>DOB 6/11/1967 Education ;CPE Certificate Work experience -farmer</p>
<p>ISAAC MULOI MWONGELA</p> 	<p>DOB 1963 Education; KCE Certificate Work experience -farmer</p>

4. NG-CDFC Chairman's Report



**MR. JAPHETH M. NYALITA
CHAIRPERSON, NG-CDFC-KAITI**

BRIEF CONSTITUENCY PROFILE

Kaiti Constituency is an electoral constituency No. 085. in Makueni County. It comprises of the four wards.

- 1. UKIA WARD**
- 2. KEE WARD**
- 3. KILUNGU WARD**
- 4. ILIMA WARD**

I am Glad to present Kaiti NG-CDF Annual Financial statements for the FY 2024/2025. We had an allocation of Ksh.170,469,857 and by June 2025 we had only received Ksh. 128,000,000 representing 75% of the total allocation. Demand for bursary surpassed our allocation for the year and thus the need to increase the allocation for bursaries in the subsequent periods to address the increased demand.

Funds disbursement to the constituency delayed considerably up to almost the last quarter of the FY 2024/25. This situation made it impossible for us to implement some projects during the financial year.

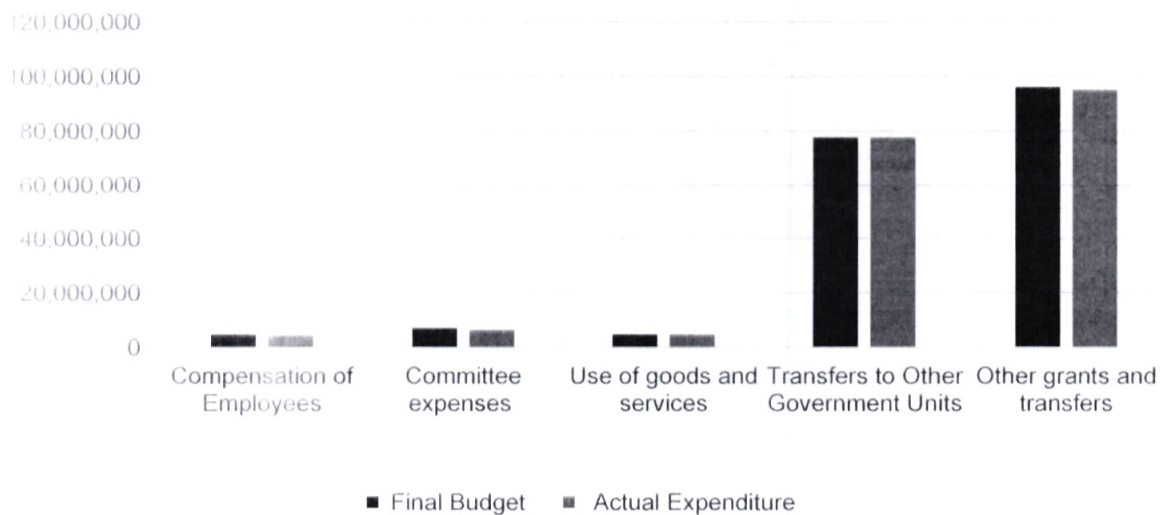
Kaiti NG-CDF has had a significant improvement in utilization of funds received from the board. We have improved overall absorption of funds from 74% last year to about 88% this year. There is also an improvement in the funds absorption in all the various project sectors as shown below.

FINAL BUDGET AGAINST ACTUAL PERFORMANCE

EXPENSE ITEM	FINAL BUDGET	ACTUAL PERFORMANCE
Compensation of Employees	7,832,801	5,671,787
Committee expenses	5,162,533	4,947,650
Use of goods and services	8,787,839	7,111,298
Transfers to Other Government Units	127,134,660	36,876,058
Other grants and transfers	111,720,384	104,182,883
Acquisition of Assets	9,929,686	9,929,686
Other Payments	-	-

GRAPH 1: FINAL BUDGET AGAINST ACTUAL PERFORMANCE

Chart Title

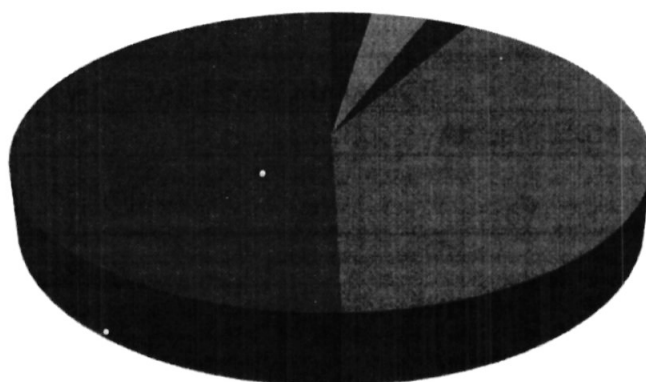


CONSTITUENCY ACTUAL PERFORMANCE

Expense item	Actual Expenditure
Compensation of Employees	5,671,787
Committee expenses	4,947,650
Use of goods and services	7,111,298
Transfers to Other Government Units	36,876,058
Other grants and transfers	104,182,883

GRAPH 2: ACTUAL PERFORMANCE

Actual Expenditure



- Compensation of Employees
- Committee expenses
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers

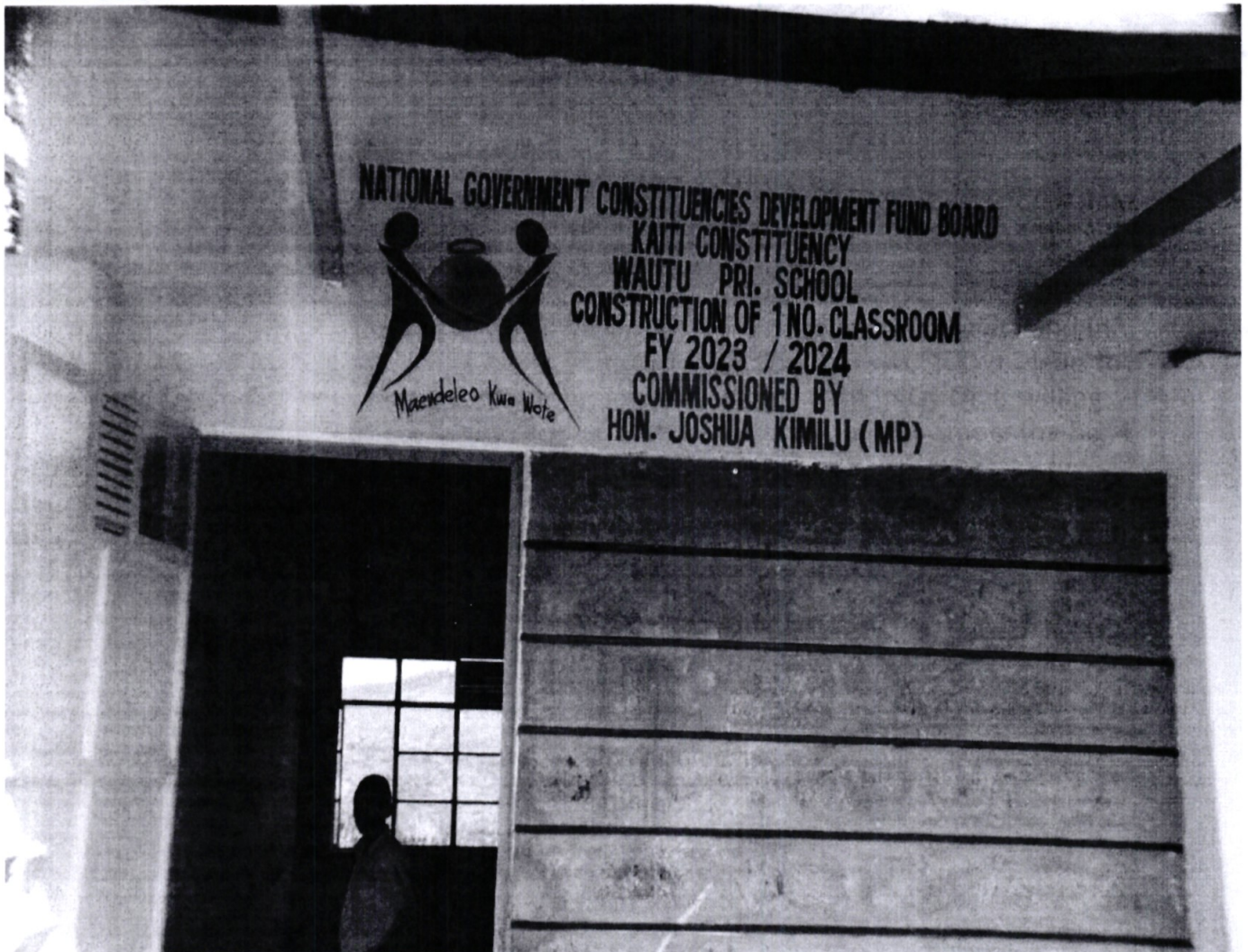
KEY ACHIEVEMENTS

During the financial year 2024/2025 ,kaiti NG-CDF has been able to hit tremendous achievements in different sectors, as highlighted;

- a. The Entity prioritised awarding of bursaries to needy students in the constituency and thus posting a higher performance in this sector.

- b. Projects were implemented on time hence posting a recommendable performance too in the Education sector.
- c. Other programe i.e. sports and Environment were also implemented as planned and were very beneficial to the constituents.

I have sampled photos of the projects that were implemented during the financial year as shown below



Wautu Primary school is located in Ilima ward. The JSS Classroom is complete and in use. This project is the pride of the Kaiti constituency because it serves 200 students in the school. The project is a clear indication of the milestones Kaiti NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.



FIG 1: KYUKI PRIMARY SCHOOL-CONSTRUCTION OF 2 CLASSROOMS

Kyukie primay school is located in Ukia ward. The construction of 2 classrooms is complete and in use. This project is the pride of the Kaiti constituency because it serves upto 400 students within the school. The project is a clear indication of the milestones Kaiti NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.

FIG 2: KAVATANZOU PRIMARY SCHOOL- CONSTRUCTION OF 2 CLASSROOMS



Kavata nzou primay school is located in Ilima ward. The construction of 2 classrooms is complete and in use. This project is the pride of the Kaiti constituency because it serves upto 400 students within the school. The project is a clear indication of the milestones Kaiti NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.




Matindini Primary school is located in Ilima ward. The JSS Classroom is complete and in use. This project is the pride of the Kaiti constituency because it serves 200 students in the school. The project is a clear indication of the milestones Kaiti NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.

Emerging issues

1. The rapidly increasing population in the constituency demanding for more expenditure on projects e.g. more classrooms
2. Declining sources of income for constituents leading to more needy students for bursary
3. Increasing emergency cases due to heavy rainfall and frequent wind storms
4. The rapid rate of inflation. This leads to more expenditure on projects than previously projected

Implementation challenges

- I. Lack of knowledge on the part of PMCs on procurement procedures and guidelines. Kaiti NG-CDF is conducting frequent PMC training in all the wards to enhance skills for the PMCs.
- II. Inadequate funds for emergency projects. Most emergency cases are left unfunded because the available funds are not sufficient to meet the increasing emergency cases due to heavy rainfall and frequent wind storms. The constituency usually seeks support from other government and non-governmental entities to fund all or some of the emergency cases not factored by Kaiti NG-CDF.
- III. Delay in disbursement of funds from the board leading to delayed project implementation. The board should ensure that funds reach the constituency in time.


.....

Name: Japheth M Nyalita
CHAIRPERSON-NG-CDF COMMITTEE

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

Introduction

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

The Kaiti NGCDF is run by approvals from the NGCDFC.

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 **Kaiti Constituency** 2023-2028 Strategic plan are to:

- i. To act as an overarching Constituency development framework for guiding socio-economic transformation between 2023 and 2028.
- ii. To provide a local framework for actualizing the achievement of the Big 4 agenda and the Kenya vision 2030.
- iii. To reduce inequality through equitable distribution of resources across the wards within the constituency.
- iv. To create a firm foundation for socio-economic transformation through education and security infrastructural development.
- v. To enhance local resource mobilization from other development partners and actors within and outside the constituency.
- vi. To Facilitate annual planning and budgeting for the identified projects that will spur development in the constituency, and facilitate annual review of plans and budgets to track progressing implementation and draw lessons for incorporation in subsequent planning and budgeting.
- vii. To provide a framework for continuous monitoring and systematic evaluation of development projects.

Progress on attainment of Strategic development objectives

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

National Government Constituencies Development Fund (NGCDF)

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Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 24/25 - we increased number of classrooms from 60 to 68 in primary schools and 34 to 38 in secondary schools.</p> <p>- Bursary beneficiaries at all levels were 8500 in secondary schools and 4500 in tertiary institutions. as per the attached schedules</p>
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	<p>Number of renovated chiefs' offices increased From 25 to 26</p> <p>Number of assistant chiefs' offices increased</p> <p>Number of police lines increased from 8 to 9</p>

National Government Constituencies Development Fund (NGCDF)

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Environment	Conserved environment through natural resources conservation initiatives	Environment conservation Equip schools and public facilities with sanitation	Number of drifts Number of sanitation facilities built in primary and secondary Number of trees	Construction of modern toilets in precious blood sec school
Emergency	To cater for unforeseen occurrences in the constituency during the financial year	Enhanced smooth running of operations.	Number of primary School of pit latrines sunk due to heavy rainfalls have been constructed by the emergency programme	

6. Governance Statement

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

The Kaiti NGCDF is run by approvals from the NGCDFC.

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

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

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

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

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

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

Constituency Committee in accordance with guidelines issued by the Board.

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

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

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

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

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

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

National Government Constituencies Development Fund (NGCDF)

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1952 Kenya Subsidiary Legislation, 2016

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

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

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

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

In Kaiti, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

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

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

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

National Government Constituencies Development Fund (NGCDF)

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persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NGCDF office to carry out an appointment of the new committee.

In Kaiti constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee.

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of October. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	JANE M. THIGA	Chairperson
2	FRANCIS MUIA	Member
3	JAMES MULWA	Member
4	DANIEL M. MALUKI	Secretary

The panel invited through advertisement published in churches, public offices notice boards and other public areas in the constituency in the month of **11th October 2022**.

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Kaiti Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Japheth Musyoki Nyalita	Male(Adult)	Ilima
2.	David Muthinzio Mbatha	Male(Youth)	Kilungu
3.	Winfred Nthenya Katunga	Female(Adult)	Ukia
4.	Angela Itumbi Mumbi	Female(Youth)	Kee

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1.	Florence Mutania Mutie	Weakness on leg and hand.	ilima

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Isaac Muloi Mwongela	Male	Ilima
2	Ruth Nduku Mwinzi	Female	Ukia

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

S/N	Name	Gender	Ward
1.	Oliver Mutevu Mbuva	Male	Kee

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Japheth Musyoki Nyalita
2. Secretary position – Isaac Muloi Mwangela

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

The appointed committee members were gazetted through gazetted volume number vol cxxiv No 254 on 29th November 2022

The new committee held its first meeting on 2nd December 2022.

Sno.	Name	Position
1	Japheth Musyoki Nyalita	Chair person
2	Isaac Muloi Mwangela	Secretary
3	Josefrida Kameti	Member
4	Jane Thiga	Member
5	David Muthinzio Mbatha	Member
6	Angela Itumbi Mumbi	Member
7	Florence Mutania Mutie	Member
8	Winnie Katunga	Member
9	Ruth Nduku Mwinzi	Member
10	Oliver Mbuva	Member

Removal of NGCDFC Members

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

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair

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hearing before the resolution is made. In kaiti the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Roles and functions of NG-CDFC

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

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

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Mombasa on 2nd -7th April 2025. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Kaiti

Number of meetings held

NGCDF ACT sec 43(11) The Constituency Committee shall meet at least six times in a year but The committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

During the financial year 2024/2025 the NGCDFC Kaiti held 12 meetings through the year,4 being for the previous committee while 8 for the current committee as illustrated as follows;

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SCHEDULE OF MEETINGS HELD DURING THE FY 2024/2025

S.No	NG-CDFC COMMITTEE MEMBERS	02/7/24	10/8/24	04/9/24	02/10/24	02/12/24	27/12/24	10/1/25	4/2/25	10/3/25	2/4/25	16/5/25	27/6/25
1	Japheth Musyoki Nyalita	√	√	√	√	√	√	√	√	√	√	√	√
2	Isaac Muloi Mwongela	√	√	√	√	√	√	√	√	√	√	√	√
3	Josefrida Kameti	√	√	√	√	√	√	√	√	√	√	√	√
4	Joel Mwangala	√	√	√	√	√	√	√	√	√	√	√	√
5	David Muthinzio Mbatha	√	√	√	√	√	√	√	√	√	√	√	√
6	Angela Itumbi Mumbi	√	√	√	√	√	√	√	√	√	√	√	√
7	Florence Mutania Mutie	√	√	√	√	√	√	√	√	√	√	√	√
8	Winnie Katunga	√	√	√	√	√	√	√	√	√	√	√	√
9	Ruth Nduku Mwinzi	√	√	√	√	√	√	√	√	√	√	√	√
10	Oliver Mbuva	√	√	√	√	√	√	√	√	√	√	√	√

National Government Constituencies Development Fund (NGCDF)

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Ethics & conduct

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

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

During the financial year 2024/2025 members of NGCDFC Kaiti adhered to the above ethical issues.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh.7,000 per meeting and all other members an allowance of ksh.5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

Disclose policy on conflict of interest

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

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Kaiti has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation

plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

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National Government Constituencies Development Fund (NGCDF)

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7. Management Discussion and Analysis

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

The Kaiti NGCDF is run by approvals from the NGCDFC.

Kaiti NG-CDF has had a significant improvement in utilization of funds received from the board some drawbacks like politics for the August general elections. We have improved overall absorption of funds from 74% last year to about 88% this year. There is also an improvement in the funds absorption in all the various project sectors as shown below.

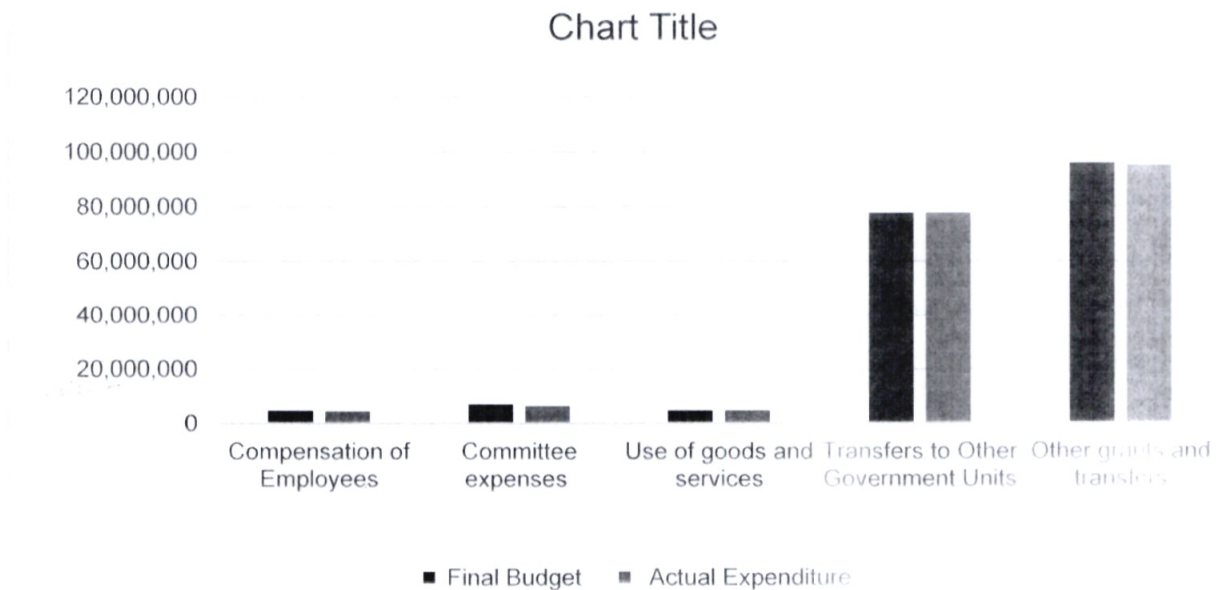
I am Glad to present Kaiti NG-CDF Annual Financial statements for the FY 2024/2025.

We had an allocation of Ksh.170,469,857 and by June 2025 we had only received Kshs. 128,000,000 representing 75% of the total allocation. As we all know the funds disbursement to constituencies delayed considerably up to almost the last quarter of the FY 2024/25. This situation made it impossible for us to implement projects during the just concluded financial year but rather to focus on available funds that had been disbursed to us during the other financial years.

FINAL BUDGET AGAINST ACTUAL PERFORMANCE

EXPENSE ITEM	Final Budget	Actual Expenditure
Compensation of Employees	7,832,801	5,671,787
Committee expenses	5,162,533	4,947,650
Use of goods and services	8,787,839	7,111,298
Transfers to Other Government Units	127,134,660	36,876,058
Other grants and transfers	111,720,384	104,182,883
Acquisition of Assets	9,929,686	9,929,686
Other Payments	-	-

GRAPH 1: FINAL BUDGET AGAINST ACTUAL PERFORMANCE



CONSTITUENCY ACTUAL PERFORMANCE

Expense item	Actual Expenditure
Compensation of Employees	5,671,787
Committee expenses	4,947,650
Use of goods and services	7,111,298
Transfers to Other Government Units	36,876,058
Other grants and transfers	104,182,883

GRAPH 2: ACTUAL PERFORMANCE

Actual Expenditure



- Compensation of Employees
- Committee expenses
- Use of goods and services

National Government Constituencies Development Fund (NGCDF)

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

KEY ACHIEVEMENTS

The Kaiti National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. The Kaiti NGCDF is run by approvals from the NGCDFC. This report provides an overview of the Kaiti NG-CDF operational and financial performance over the past 5 years (2019-2024). The report highlights key achievements, operational and financial performance, key projects implemented, major risks and challenges facing the fund.

ANALYSIS OF FUNDING FROM FY 2013/14 TO FY 2024/25

The constituency have been allocated a total of **Ksh. 1,114,033,250.84** from financial year 2013/14 to date, which has subsequently been disbursed to various projects in such sectors as education, water, health, roads and bridges, energy, agriculture, security etc in addition to the statutory bursary, emergency, sports, environment, administration and monitoring and evaluation votes.

The actual breakdown is as tabulated below:

S/NO.	FINANCIAL YEAR	AMOUNT ALLOCATED
1.	2013/14	69,766,330
2.	2014/15	99,744,252
3.	2015/16	105,635,071
4.	2016/17	81,896,551
5.	2017/18	98,189,655
6.	2018/19	109,040,875
7.	2019/20	137,367,724
8.	2020/21	137,088,879
9.	2021/22	137,088,879
10.	2022/23	138,215,033
11.	2023/2024	179,063,803,00
TOTAL		1,293,097,053

During the financial year 2024/2025 ,Kaiti NG-CDF has been able to hit tremendous achievements in different sectors, as highlighted;

- a. The Entity prioritized awarding of bursaries to needy students in the constituency and thus posting a higher performance in this sector.
- b. Projects were implemented on time hence posting a recommendable performance too in the Education sector.

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

- c. Other program i.e. sports and Environment were also implemented as planned and were very beneficial to the constituents.

The people of Kaiti constituency are determined to participate effectively in domesticating objectives of the big Four Agenda in our development planning.

The constituents now have power to implement the formulation and implementation of development programs in the constituency for the works within the aspiration of the constitution of Kenya, which makes public participation mandatory.

The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.



.....
Name Josefridah M Kameti
Fund Account Manager.



8. Environmental and Sustainability Reporting

Kaiti 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 Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Kaiti 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 intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

2. Environmental performance

The environmental policy guiding the Kaiti NGCDF is;

- **Conserve and Protect Natural Resources:** The constituency will promote sustainable management and conservation of natural resources, including water, land, forests, and wildlife.
- **Reduce Pollution:** The constituency will implement measures to reduce pollution, including proper waste management, minimizing single-use plastics, and promoting clean energy.
- **Promote Sustainable Agriculture:** The constituency will support sustainable agricultural practices, including organic farming, agroforestry, and conservation agriculture.
- **Enhance Climate Resilience:** The constituency will develop and implement climate-resilient strategies, including climate-smart agriculture, disaster risk reduction, and climate change adaptation measures.
- **Community Engagement and Education:** The constituency will engage with local communities, educate them on environmental issues, and promote environmental stewardship.
- **Collaboration and Partnerships:** The constituency will collaborate with local, national, and international partners to leverage resources, expertise, and funding for environmental initiatives.

The constituency has established the policy below to ensure effective waste management:

- **Waste Reduction and Minimization:** The constituency will promote practices that reduce waste generation, including reducing single-use plastics, encouraging sustainable consumption, and implementing waste reduction programs.
- **Proper Waste Collection and Disposal:** The constituency will establish an efficient waste collection system, including segregation of waste at source, and ensure safe disposal of waste in designated facilities.
- **Recycling and Composting:** The constituency will promote recycling and composting of organic waste, and establish recycling programs for paper, plastic, glass, and other materials.
- **Community Education and Participation:** The constituency will educate residents on proper waste management practices, and encourage community participation in waste reduction and management initiatives.
- **Infrastructure Development:** The constituency will invest in waste management infrastructure, including waste collection vehicles, recycling facilities, and waste-to-energy plants.
- **Regulatory Framework:** The constituency will establish and enforce regulations and bylaws to ensure compliance with waste management standards and practices.
- **Partnerships and Collaborations:** The constituency will collaborate with private sector, NGOs, and community groups to leverage resources, expertise, and funding for waste management initiatives.

The NGCDFC hold forums to sensitize the youth and the community on the impact of drug abuse.

It has also supported in equipping police stations and remand prisons to ensure security is enhanced in the constituency.

3. Employee welfare

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

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

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

4. Market place practices-

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

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to 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 practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest.

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NGCDF during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

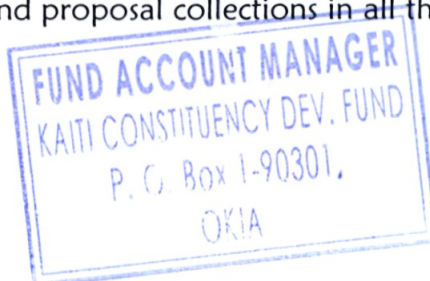
Public Awareness

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

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

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

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

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

National Government Constituencies Development Fund (NGCDF)

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

Approval of the financial statements

The NGCDF- kaiti Constituency financial statements were approved and signed by the Accounting Officer on 7/11 2025.



Name: Japheth M Nyalita
Chairman – NG-CDF Committee



Name: Josefrida M Kameti
Fund Account Manager



REPUBLIC OF KENYA



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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional International Public Sector Accounting Standards (IPSAS) financial statements of National Government Constituencies Development Fund - Kaiti Constituency set out on pages 1 to 72, which comprise of the

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional International Public Sector Accounting Standards (IPSAS) financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kaiti 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 Constituencies Development Fund Act, 2015, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Cash and Cash Equivalents - Stale Bursary Cheques

The statement of financial position and as disclosed in Note 19 to the financial statements reflect cash and cash equivalents balance of Kshs.60,318,636. However, review of the Fund's records revealed that a total of Kshs.615,328 in respect to bursary cheques were stale and had not been replaced or reversed in the cash book.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.60,318,636 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 - Kaiti 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.270,567,902 and Kshs.228,098,046 respectively resulting to under-funding of Kshs.42,469,856 or approximately 16% of the approved budget. Similarly, the Fund expended Kshs.167,779,410 against actual receipts of Kshs.228,098,046 resulting in under-absorption of Kshs.60,318,636 or approximately 26% of actual receipts.

The under-funding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the constituents of Kaiti Constituency.

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

Other Information

The Management is responsible for the Other Information set out on pages iii to xxiii which comprise of Key Entity Information and Management, Management Team, Chairman's Statement, Report of the Fund Account Manager, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Management Responsibilities, Statement of Committees Responsibilities, Statement of Performance Against Predetermined Objectives, The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Recruitment of Unqualified Clerk of Works

Review of staff records revealed that the Fund recruited a clerk of works without the necessary skills in construction contrary to Section 45(1) of the National Government Constituencies Development Fund Act, 2015 which states that the Constituency

Committee may engage such staff as may be necessary for execution of its functions including persons with knowledge in Information and Communications Technology, construction and basic accounting.

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

2. Irregular Classification of Projects as Emergency Projects

The statement of financial performance and as disclosed in Note 14 to the financial statements reflect Kshs.104,182,883 in respect to other grants and transfers actual expenditure. Included in the amount is Kshs.8,972,099 in respect to emergency expenditure which includes Kshs.1,200,000 disbursed to Precious Blood Secondary Kilungu Project Management Committee (PMC) account on 16 January, 2025 for the construction of six (6) door pit latrine.

The request was made on 16 January, 2024 by Management of Precious Blood Secondary School while the Fund Committee approved the funding of the project on 15 July, 2024. This is contrary to Section 8(3) of the National Governments Constituencies Development Fund Act, 2015 which states that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the Committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

In the circumstances, Management was in breach of the law and classification of the project as emergency in nature was irregular.

3. Poor Workmanship by the Contractors

The statement of financial performance and as disclosed in Note 13 to the financial statements reflect expenditure totalling Kshs.36,876,058 in respect to other Government units which includes Kshs.7,331,984 in respect to implementation of three (3) projects. However, physical verification of projects in October, 2025, revealed the following anomalies:

Project Name	Activity	Amount Paid (Kshs.)	Anomalies
Mutungu Primary School	Construction of one (1) classroom	900,418	Not branded, Floor has cracks. Project is complete but not in use.
Mumbuni Primary School	Construction of two (2) classrooms	3,000,000	Floors have cracks while one class has a crack on one wall.
Kee S.A Secondary School	Construction of a dormitory	3,431,566	Leaking shatter, stairs are poorly constructed because are very steep. Not branded. Complete but not in use.
Total Expenditure		7,331,984	

In the circumstances, value for money totalling Kshs.7,331,984 incurred on construction of the three (3) projects could not be confirmed.

4. Failure to Submit Bank Reconciliation Statements

Review of the bank reconciliation statements for the financial year under review revealed that bank reconciliations were not submitted to The National Treasury and a copy to the Auditor-General as required under Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall ensure bank account reconciliations are completed for each bank account held by that Accounting Officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to The National Treasury with a copy to the Auditor-General.

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

5. Delay in Project Implementation

Review of the Project Implementation Status report as at 30 June, 2025 revealed that the Fund allocated Kshs.134,601,386 for implementation of ninety-nine (99) projects. However, forty-nine (49) projects worth Kshs.30,561,717 were completed and in use, eighteen (18) projects worth Kshs.42,070,177 were on-going and at various completion levels while twenty-eight (28) projects worth Kshs.61,969,492 had not started. Management attributed the delay to late disbursements of funds by the Board. **Appendix I.**

In the circumstances, the constituents of Kaiti Constituency did not obtain value for money from the incomplete projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 November, 2025

Appendix 1: Delayed in Project Implementation

	Project Name	Project Activity	Allocated Amount (Kshs.)	Project Status
Ongoing Project				
1	Kwa Katuu Sand Dam	Construction of sand dam	2,414,843	Ongoing project
2	Katitu Primary School	Construction of a classroom	1,380,000	Ongoing project
3	Mutungu Primary School	Construction of a classroom	1,380,000	Ongoing project
4	Kikoko Girls Primary School	Construction of a classroom	1,390,000	Ongoing project
5	Itumbule Primary School	Construction of a classroom	1,380,000	Ongoing project
6	Matindini Primary School	Construction of a classroom	1,380,000	Ongoing project
7	Nthimbani Primary School	Construction of a classroom	1,380,083	Ongoing project
8	Kinyuani Primary School	Construction of a classroom	1,380,000	Ongoing project
9	Matua Primary School	Construction of a classroom	1,390,000	Ongoing project
10	Munyuni Primary School	Construction of a classroom	1,390,000	Ongoing project
11	Wautu Primary School	Construction of a classroom	1,390,000	Ongoing project
12	Kaumoni DED Primary School	Construction of a classroom	1,390,000	Ongoing project
13	Iuani HGM Primary School	Construction of a classroom	1,380,000	Ongoing project
14	Nunguni Primary School	Construction of a classroom	1,380,000	Ongoing project
15	Kee Secondary School	Completion of a dormitory	4,000,000	Ongoing project
16	Kilungu Kenya Medical Training College	Construction of civil works	15,165,251	Ongoing project
17	Kasunguni Assistant Chief's Office	Construction of office	1,500,000	Ongoing project
18	Kitandi Chiefs Office	Construction of office	1,000,000	Ongoing project
	Total		42,070,177	
Project Not Started				
1	Ndituni Sand Dam	Sand dam	2,841,164	Not started
2	Kyanguma Sand Dam	Sand dam	2,841,164	Not started
3	Kwakyungu Sand Dam	Sand dam	2,841,164	Not started
4	Mutungu Primary School	Construction of a classroom	1,390,000	Not started
5	Mutanda Primary School-JSS	Construction of a classroom	1,200,000	Not started
6	Kyakituku Primary School-JSS	Construction of a classroom	1,200,000	Not started
7	Kyakathungu Primary School - JSS	Construction of a classroom	1,200,000	Not started
8	Muthethe Primary School-JSS	Construction of a classroom	1,200,000	Not started
9	Kyesuni Primary School	Renovations of five classrooms	2,000,000	Not started
10	Kyakithuku Primary School		5,000,000	Not started
11	Isovy Primary School	Renovations of five classrooms	2,000,000	Not started
12	Kiluluini Primary School	Renovations of five classrooms	2,000,000	Not started

	Project Name	Project Activity	Allocated Amount (Kshs.)	Project Status
13	Kyambai Primary School	Renovations of five classrooms	2,000,000	Not started
14	Kavani Primary School	Renovations of five classrooms	1,000,000	Not started
15	Thomeandu Secondary School	Construction of two classrooms	2,400,000	Not started
16	Isovy Secondary School	Purchase 52-seater bus	9,300,000	Not started
17	AIC Nunguni Secondary School	Construction 60 student's dormitory	2,000,000	Not started
18	Kyumu Secondary School	Renovation of 120 students school dining hall	1,000,000	Not started
19	Kivani Secondary School	Construction to completion of 150 student's dormitory	5,500,000	Not started
20	Kasunguni Secondary School	Construction of 150 students' dormitory phase one	2,756,000	Not started
21	Mtulani Secondary School	Renovation of Dining hall	1,000,000	Not started
22	Ukia Secondary School	Construction of a classroom	1,200,000	Not started
23	Kilungu Boys'High School	Construction of a classroom	1,200,000	Not started
24	Ndolo Secondary School	Construction of a classroom	1,200,000	Not started
25	Muiu Secondary School	Construction of two classrooms	2,500,000	Not started
26	Nduu Chiefs' Office	Renovation of Chief's office	500,000	Not started
27	Ukia Chief's Office	Construction 2 roomed Chief's office	1,500,000	Not started
28	Kithangathini Chief Office	Construction 2 roomed Chief's office	1,200,000	Not started
	Total		61,969,492	

National Government Constituencies Development Fund (NGCDF)

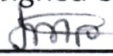
Kaiti Constituency

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

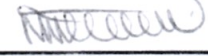
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	Period ended June Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,856
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,856
Expenses		
Employee costs	10	5,671,787
Committee expenses	11	4,947,650
Use of Goods and Services	12	7,111,298
Other Government Units Actual expenditure	13	36,876,058
Other Grants and Transfers Actual expenditure	14	104,182,883
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
Total expenses		158,789,676
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		11,680,180

The Constituency financial statements were approved by the NGCDFC on 17/11 2025 and signed by:


Fund Account Manager

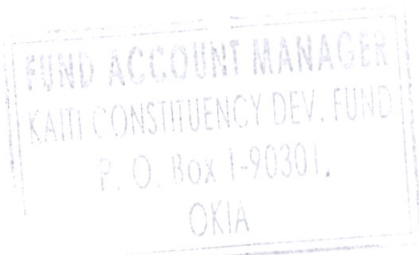

National Sub-County Accountant


Chairperson NG-CDF Committee

Name: Josefrida M Kameti

Name: Gregory M Mwaniki
ICPAK M/No: 12536

Name: Japheth M Nyalita



National Government Constituencies Development Fund (NGCDF)

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

(Paragraph 79 of IPSAS 33 allows for the election by an MDA to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

National Government Constituencies Development Fund (NGCDF)

Kaiti Constituency

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

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

	Note	Period as at June 2025 Kshs	Opening Statement 1st July 2024 Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	60,318,636	6,435,444
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,469,856	93,662,602
Prepayments	22	-	-
Total Current Assets		102,788,492	100,098,046
Non-Current Assets			
Property, Plant and Equipment	23	9,929,686	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		9,929,686	-
Total Assets (A)		112,718,178	100,098,046
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-


National Government Constituencies Development Fund (NGCDF)

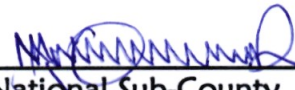
Kaiti Constituency

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

Gratuity provision	29	1,447,676	507,724
Total Current Liabilities		1,447,676	507,724
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,447,676	507,724
Net Assets (A-B)		111,270,502	99,590,322
Represented by:			
Revaluation reserves		146,246	146,246
Accumulated Surplus		111,124,256	99,444,076
Accumulated Surplus		111,270,502	99,590,322

The Constituency financial statements set out on 1 to 20 approved by NG CDFC on 17/11 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Japheth M Nyalita


 National Sub-County
 Accountant
 Name: Gregory M Mwaniki
 ICPAK M/No: 12536


 Fund Account Manager
 Name: Josefrida m Kameti



National Government Constituencies Development Fund (NGCDF)

Kaiti 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	Accumulated surplus/Deficit	Reserve	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)	3,681,266	146,246	3,827,512
Adjustments: (to recognize assets and liabilities)			-
Add Assets	95,762,810		95,762,810
Less Liabilities	-		-
As at July 1, 2024	99,444,076	146,246	99,590,322
			-
Surplus/(Deficit) For the Period	11,680,180		11680,180
Revaluation Gain/Loss			
As at 30th June (current year)	111,124,256	146,246	111,270,502

Note:

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

National Government Constituencies Development Fund (NGCDF)

Kaiti 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	Period ended June Ksh
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		221,662,602
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		221,662,602
Payments		
Employee costs		4,731,835
Committee expenses		4,947,650
Use of Goods and Services		7,111,298
Other Government Units Certified Works		36,876,058
Other Grants and Transfers		104,182,883
Digital Hubs Expenses		-
Total Payments		157,849,724
Net Cash Flows from/ (used in) Operating Activities	30	63,812,878
Cash flows From Investing Activities		
Purchase of PPE		9,929,686
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		53,883,192
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		53,883,192
Cash and cash equivalents at Period Start	19	6,435,444
Cash and cash equivalents at Period End	19	60,318,636

National Government Constituencies Development Fund (NGCDF)

Kaiti Constituency

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

(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)

Kaiti 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			Final Budget	Actual on	Budget utilization	% of Utilization
					comparable basis	difference	
		Adjustments					
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025 FY	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025 FY	2024/2025 FY		
Revenue							
Transfers From the NGCDF Board	170,469,856	6,435,444	93,662,602	270,567,902	228,098,046	42,469,856	84 %
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,856	6,435,444	93,662,602	270,567,902	228,098,046	42,469,856	84 %
Expenses				-		-	

National Government Constituencies Development Fund (NGCDF)

Kaiti Constituency

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

Employee costs	6,862,796	970,005	-	7,832,801	4,731,835	3,100,966	60 %
Committee expenses	3,259,433	1,115,019	788,081	5,162,533	4,947,650	214,883	96%
Use of Goods and Services	4,464,057	1,193,313	3,130,470	8,787,839	7,111,298	1,676,541	81 %
Other Government Units Certified Works	59,172,135	3,157,108	64,805,417	127,134,660	36,876,058	90,258,603	29 %
Other Grants and Transfers	96,711,436		24,938,634	111,720,384	104,182,883	7,537,501	94 %
Acquisition of assets	9,929,686-	-	-	9,929,686	9,929,686	0.00	100%
Funds Pending Approval**	-	-	-	-	-	-	
Total Expenditure	170,469,856	6,435,444	93,662,602	270,567,903	167,779,410	102,788,494	62 %
Surplus for the period							

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

Kaiti Constituency

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

Explanatory Notes.

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

Employee costs has a utilization of 87% due to delay in disbursement of funds

Committee expenses has a utilization of 58% due to delay in disbursement of funds

Use of goods and services has a utilization of 85% due to delay in disbursement of funds

Other government units certified works has a utilization of 87% due to delay in disbursement of funds

Acquisition of Assets has a utilization of 52% due to delay in disbursement of funds

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	102,788,494
Less Undisbursed funds receivable from the Board as at 30 th June, 2025	42,469,856
Cash and Cash Equivalents at the end of the 30th June 2025	60,318,638

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 27/11 2025 and signed by:



 Fund Account Manager

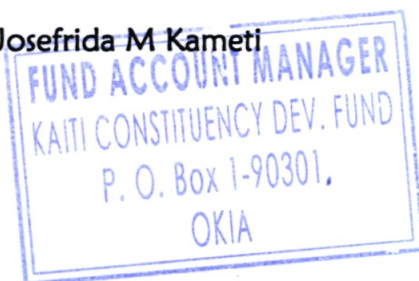


 National Sub-County Accountant



 Chairman NG-CDF Committee

Name: Josefrida M Kameti



Name: Gregory M Mwaniki
 ICPAK M/No: 12536

Name: Japheth M Nyalita

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	% of Utilization
		Opening Balance (operational, deposit and FMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements				
		Kshs	Kshs				
1.0 Administration and Recurrent							
1.1 Compensation of employees	6,862,796.00	970,005	-	7,832,801	4,731,835	3,100,966	60%
1.2 Committee allowances	1,259,433	679,000		1,938,433	1,921,150	17,283	99%

Kaiti Constituency

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

1.3 Use of goods and services	1,349,961	153,137	992,150	2,495,248	2,285,820	209,428	91%
Sub-total	9,472,190	1,802,142	992,150	12,266,482	8,938,805	3,327,677	72%
2.0 Monitoring and evaluation						-	
2.1 Capacity building	1,800,000	916,338		2,716,338	2,636,000	80,338	97%
2.2 Committee allowances	2,000,000	436,019	788,081	3,224,100	3,026,500	197,600	93%
2.3 Use of goods and services	1,314,096	123,838	2,138,320	3,576,254	2,189,478	1,386,776	61%
Sub-total	5,114,096	1,476,195	2,926,401	9,516,692	7,851,978	1,664,714	82%
4.0 Emergency						-	
unutilized	8,972,098		240,000	9,212,098	8,972,099	239,999	97%
Sub-total	8,972,098	-	240,000	9,212,098	8,972,099	239,999	97%
5.0 Bursary and Social Security						-	

National Government Constituencies Development Fund (NGCDF)

Kaiti Constituency

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

5.1 Primary Schools				-		-	
5.2 Secondary Schools	63,850,455		2,238,401	66,088,856	65,285,420	803,436	98%
5.3 Tertiary Institutions	21,637,488		1,200,861	22,838,349	21,539,000	1,299,349	94%
5.4 special needs				-		-	
5.5 Education Support Programmes				-		-	
5.6 Social Security				-		-	
Sub-total	85,487,943	-	3,439,262	88,927,205	86,824,420	2,102,785	97%
7.0 Environment						-	
Kyambai Primary school			100,000	100,000	100,000	-	100%
Kee Secondary school			100,000	100,000	100,000	-	100%
Nguluni Primary School			100,000	100,000	100,000	-	100%

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

Kitandi Secondary school			100,000	100,000	100,000	-	100%
Ngiluni Primary school			100,000	100,000	100,000	-	100%
Kivutini Primary school			100,000	100,000	100,000	-	100%
Kilala AIC Primary school			100,000	100,000	100,000	-	100%
Muiu Secondary school			100,000	100,000	100,000	-	100%
Kyamutimba Primary school			100,000	100,000	100,000	-	100%
Makuli Secondary school			100,000	100,000	100,000	-	100%
Engavu Secondary school			100,000	100,000	100,000	-	100%
Kambuku Primary school			100,000	100,000	100,000	-	100%
Kiluluini Primary school			100,000	100,000	100,000	-	100%
Kyambeke Primary school			100,000	100,000	100,000	-	100%

National Government Constituencies Development Fund (NGCDF)

Kaiti Constituency

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

Kyamulinge Primary school			100,000	100,000	100,000	-	100%
Kithangathini Primary school			100,000	100,000	100,000	-	100%
Kauti primary school			100,000	100,000	100,000	-	100%
Ikalyoni Secondary school			100,000	100,000	100,000	-	100%
Kyale Primary school			100,000	100,000	100,000	-	100%
Nduu Primary school			100,000	100,000	100,000	-	100%
Kasunguni Primary School			100,000	100,000	100,000	-	100%
Thoma Primary School			100,000	100,000	100,000	-	100%
Kyamwalye Primary School			100,000	100,000	100,000	-	100%
Mumbuni Primary School			100,000	100,000	100,000	-	100%
AIC Mumbuni secondary			100,000	100,000	100,000	-	100%

Kaiti Constituency

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

Kyuasini Secondary School			100,000	100,000	100,000	-	100%
Matua Primary School			100,000	100,000	100,000	-	100%
Kyau Primary School			100,000	100,000	100,000	-	100%
Kiukuni Secondary School			100,000	100,000	100,000	-	100%
Kyau Secondary school			100,000	100,000	100,000	-	100%
Miting'ani Primary School			100,000	100,000	100,000	-	100%
Mutula Primary School			100,000	100,000	100,000	-	100%
Ukia Mixed Secondary School			100,000	100,000	100,000	-	100%
Iuani Secondary School			100,000	100,000	100,000	-	100%
Kilala Chief's Office			100,000	100,000	100,000	-	100%

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Kwa Katuu sand Dam			2,414,843	2,414,843	1,632	2,413,211	0.07 %
Kakindu sand Dam			2,414,843	2,414,843	2,414,843	-	100%
Ndituni Sand Dam	2,841,164.28			2,841,164		2,841,164	-
Kyanguma Sand Dam	2,841,164.28			2,841,164		2,841,164	-
Kwakyungu Sand Dam	2,841,164.28			2,841,164		2,841,164	-
					-	-	
Sub-total	8,523,493	-	8,329,686	16,853,179	5,916,475	10,936,704	35%
8.0 Primary Schools Projects							-
Nguluni Primary School		3		3		3	-
Ngiluni Primary school		1,200,205		1,200,205	1,200,205	-	100%

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muthethe primary school	600,000		600,000	600,000	-	100%
kimwatho primary school	300,000		300,000	300,000	-	100%
Mumbuni Primary School		3,000,000	3,000,000	3,000,000	-	100%
Kyuki Primary School		1,000,000	1,000,000	1,000,000	-	100%
Katitu Primary School	1,056,900		1,056,900		1,056,900	-
Matangi Primary School		1,390,000	1,390,000	1,238,568	151,432	89%
Kyesuni Primary School		1,390,083	1,390,083	961,234	428,849	69%
Katitu Primary School		1,380,000	1,380,000	1,219,390	160,610	88%
Mutongu Primary School		1,390,000	1,390,000		1,390,000	-
Mutungu Primary School		1,380,000	1,380,000	900,418	479,583	65%
Kikoko Girls Primary School		1,390,000	1,390,000	1,322,295	67,705	95%

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Ukia Primary School				1,390,000	1,390,000	1,251,450	138,550	90%
Itumbule Primary School				1,380,000	1,380,000	1,240,661	139,339	89%
Matindini Primary School				1,380,000	1,380,000	562,130	817,870	40%
Kilala Primary School				1,390,000	1,390,000	1,390,000	-	100%
Nthimbani Primary School				1,380,083	1,380,083	781,294	598,789	56%
Kinyuani Primary School				1,380,000	1,380,000	1,240,195	139,805	89%
Matua Primary School				1,390,000	1,390,000	1,251,870	138,130	90%
Munyuni Primary School				1,390,000	1,390,000	1,309,967	80,033	94%
Wautu Primary School				1,390,000	1,390,000	1,312,287	77,713	94%
Kaumoni DED Primary School				1,390,000	1,390,000	1,390,000	-	100%
Iuani HGM Primary School				1,380,000	1,380,000	875,002.00	504,998	63%

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Nunguni Primary School			1,380,000	1,380,000	1,203,327	176,673	87%
Mutanda Primary School-JSS	1,200,000.00			1,200,000	-	1,200,000	-
Kyakituku Primary School-JSS	1,200,000.00			1,200,000		1,200,000	-
Kyakathungu Primary School-JSS	1,200,000.00			1,200,000		1,200,000	-
Muthethe Primary School-JSS	1,200,000.00			1,200,000		1,200,000	-
Kyesuni Primary School	2,000,000.00			2,000,000		2,000,000	-
Kyakithuku Primary School	5,000,000.00			5,000,000		5,000,000	-
Isovyva Primary School	2,000,000.00			2,000,000		2,000,000	-
Kiluluini Primary School	2,000,000.00			2,000,000		2,000,000	-
Kyambai Primary School	2,000,000.00			2,000,000	-	2,000,000	-
Kavani Primary School	1,000,000.00			1,000,000	-	1,000,000	-

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				-		-	
Sub-total	18,800,000	3,157,108	28,940,166	50,897,274	25,550,293	25,346,981	50%
9.0 Secondary Schools Projects (List all the Projects)						-	
Thomeandu secondary school			2,400,000	2,400,000.00		2,400,000	-
Mumbuni Secondary School			2,000,000	2,000,000.00	2,000,000	-	100%
Isovyva Secondary school			9,300,000	9,300,000.00	-	9,300,000	-
Kee Secondary school			4,000,000	4,000,000.00	3,431,566	568,434	85%
AIC Nunguni Secondary school			2,000,000	2,000,000.00		2,000,000	-
Kyumu Secondary school			1,000,000	1,000,000.00	-	1,000,000	-
Kivani Secondary School	5,500,000.00			5,500,000		5,500,000	-

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Kasunguni Secondary School	2,756,000.00			2,756,000		2,756,000	-
Mtulani Secondary School	1,000,000.00			1,000,000	-	1,000,000	-
Ukia Secondary School	1,200,000.00			1,200,000	-	1,200,000	-
Kilungu Boys'High School	1,200,000.00			1,200,000		1,200,000	-
Ndolo Secondary School	1,200,000.00			1,200,000		1,200,000	-
Muiu Secondary School	2,500,000.00			2,500,000	-	2,500,000	-
							-
				-			-
Sub-total	15,356,000	-	20,700,000	36,056,000	5,431,566	30,624,434	15%
10.0 Tertiary institutions Projects (List all the Projects)							-

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Kilungu Kenya Medical Training College	16,044,037.08		15,165,251	31,209,288	5,894,199.00	25,315,089	18%
				-		-	
Sub-total	16,044,037	-	15,165,251	31,209,288	5,894,199	25,315,089	18.0%
11.0 Security Projects						-	
Kasunguni Assistant Chiefs Office			1,500,000	1,500,000	1,482,350.00	17,650	98%
Nduu Chiefs' Office			500,000	500,000	-	500,000	-
Kitandi Chiefs Office			1,000,000	1,000,000	987,539.00	12,461	98%
Ukia Chief's Office	1,500,000.00			1,500,000		1,500,000	-
Kithangathini Chief Office	1,200,000.00			1,200,000	-	1,200,000	-
Sub-total	2,700,000	-	3,000,000	5,700,000	2,469,889	3,230,111	43%
12.0 Acquisition of assets						-	

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12.1 Motor Vehicles (including motorbikes)			-	-			-	
12.2 Purchase of furniture and fittings				-			-	
12.2 Construction of CDF office			2,650,000	2,650,000	2,650,000.00		-	100%
Sub-total		-	-	2,650,000	2,650,000	2,650,000	-	100%
13.0 Others							-	
NG-CDF OFFICE			-	7,279,686	7,279,686	7,279,686	-	100%
			-	-	-		-	
			-	-	-		-	
Sub-total		-	-	7,279,686	7,279,686	7,279,686	-	100%
Funds pending approval**							-	
unapproved projects			-	-	-		-	

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AiA	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-
Total	170,469,856	6,435,444	93,662,602	270,567,903	167,779,410	102,788,494	62%

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

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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 Kaiti Constituency principal activity is to facilitate socio-economic development at the constituency level.

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 NG-CDF Kaiti 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 Kaiti has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date. Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions. The NG-CDF Kaiti Constituency has not recognized fixed assets acquired before FY 2023/2024 and inventories in the year under review.

Management is planning periodical stock take for inclusion of inventory in the 2nd year.

The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year, will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This IPSAS is not applicable to the constituency this financial year</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>This IPSAS is not applicable to the constituency this financial year</p>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This IPSAS is applicable to the constituency from 1st July 2025</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>

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	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This IPSAS is applicable to the constituency from 1st July 2025</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is applicable to the constituency from 1st January 2026</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</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>This IPSAS is applicable to the constituency from 1st July 2025</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</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>This IPSAS is not applicable to the constituency this financial year</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</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.

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	<p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p>This IPSAS is not applicable to the constituency this financial year</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.

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

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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.

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for

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the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

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

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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:

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Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	170,469,856
TOTAL	170,469,856

7. Transfers from domestic and foreign partners

Description	12024/2025
	Kshs
Grants	nil
Total	nil

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8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	nil
Income from sale of tenders	nil
Hire of plant/equipment/facilities	nil
Other Income Not Classified Elsewhere (specify)	nil
Total	nil

10. Employees cost

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	3,889,883
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,093,448
Employer Contributions Compulsory national social security schemes	383,221
Employer Contributions Compulsory Housing levy	180,621
Employer contributions to National Industrial Training Authority	5,400

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Other Specify(shif)	119,214
Total	5,671,787

11. Committee Expenses

Description	Period ended 30 th June 2025
	Kshs
Sitting allowance	3,026,500
Other Committee expenses	1,921,150
Total	4,947,650

12. Use of Goods and services

Description	Period ended June 2025
	Kshs
Utilities , supplies and services	914,820
Communication, supplies and services	-
Domestic travel and subsistence	801,978
Printing, advertising and information supplies & services	1,371,000
Office Rent	-
Training expenses	1,856,000
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	1,387,500
Fuel, oil & lubricants	-
Bank Charges	-
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	780,000
Total	7,111,298

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13. Other Government Units Actual expenditure

Description	Period ended June 2025
	Kshs
Primary Schools Actual expenditure	25,550,293
Secondary Schools Actual Expenditure	5,431,566
Tertiary Institutions Actual Expenditure	5,894,199
Total	36,876,058

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14. Other Grants and transfers Actual expenditure

Bursary – secondary schools	65,285,420.00
Bursary – tertiary institutions	21,539,000.00
Bursary – special schools	0
Bursary - Education Support programmes	0
Social Security programmes (SHIF)	0
Security projects Actual Expenditure	2,469,889.00
Climate change mitigation projects	5,916,475.00
Emergency projects Actual Expenditure	8,972,099.00
Roads projects	0
Total	104,182,883.00

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	nil
Intangible Assets	nil
Total	nil

16. Digital Hubs Expenses

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

17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Name Of Bank, Account No. (Operations account)	7,911,281	3,827,512
Operations account pending closure (Indicate name & account no.)	-	-
Name of Bank, account No. (Deposit account)	1,447,676	507,724
Name of Bank, account No. (PMC's account)	50,959,679	2,100,208
Total	60,318,636	6,435,444
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-

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Total	-	-
[Provided Cash Count Certificates for Each]		

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

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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 (Specify)	nil	nil
Less: impairment allowance	nil	nil
Total receivables	nil	nil
a. Current receivables	nil	nil
b. Non-current receivables	nil	nil
Total Receivables (a+b)	nil	nil

(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	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	nil	%	nil	%
Between 1- 2 years	nil	%	nil	%
Between 2-3 years	nil	%	nil	%
Over 3 years	nil	%	nil	%
Total (a+b)	nil	%	nil	%

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Transfers from NGCDFB	42,469,856	93,662,602
Outstanding imprest	-	-
Total	42,469,856	93,662,602

Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year		#DIV/0!	-	
Between 1- 2 years		#DIV/0!	-	
Between 2-3 years	-	#DIV/0!	-	#DIV/0!
Over 3 years	-	#DIV/0!	-	#DIV/0!
Total (a+b)	-	#DIV/0!	-	#DIV/0!

22. Prepayments

Description	2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Prepaid Rent	nil	nil
Prepaid Insurance	nil	nil
Prepaid Electricity Costs	nil	nil

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Other Prepayments (Specify)	nil	nil
Total	nil	nil

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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								
Additions							9,929,686	9,929,686
Disposals								
Transfer/Adjustments								
As At 30 th June 2025							9,929,686	9,929,686
Depreciation And Impairment								
Opening Depreciation								
Depreciation								
Disposals								
Impairment								
Transfer/Adjustment								
As At 30 th June 2025								
Net Book Values							9,929,686	9,929,686
Opening Bal as at 1 st July 2024								

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As At 30 th June 2025							9,929,686	9,929,686
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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).

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:

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	0	0	0
Buildings and structures	0	0	0	0
Transport equipment	0	0	0	0
Office equipment, furniture and fittings	0	0	0	0
ICT Equipment, Software and Other ICT Assets	0	0	0	0
Other Machinery and Equipment	0	0	0	0
Intangible assets		0	0	
Work in progress		9,929,686		9,929,686
Total	0	9,929,686	0	9,929,686

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	2024-23025
	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 1st 2024	-
NBV at June 30th 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 Sept/Dec/ March/June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 Sept/Dec/ March/June 2025	-	-	-	-
Carrying Amount				
As at 30 Sept/Dec/ March/June 2025	-	-	-	-

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26. Trade and Other Payables

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables				
Employee payables		1,447,676		507,724
Other payables				
Total trade and other payables				
		1,447,676		507,724
Aging analysis: (Trade and other payables)	2024-2025	% of the Total	1st July	% of the Total
Under one year		%		%
1-2 years	1,447,676	100 %	507,724	100%
2-3 years		%		%
Over 3 years		%		%
Total (tie to above total)	1,447,676		507,724	

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27. Third-Party deposits

	2024/2025
	KShs
Retention as at start of the period (A)	-
Retention held during the period (B)	8,201,069
Retention paid during the period (C)	8,201,069
Closing Retention as at period xx, D= A+B-C	

Retentions aging analysis.

	2024/2025 FY	% of the total	2023/2024FY	% of the total
Less than 1 year	8,201,069	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

28. Lease Liabilities

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

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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	Period ended June	Opening
	2025	Statement
	Kshs	1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	507,724	507,724.00
Gratuity held during the period (B)	1,093,448	-
Gratuity paid during the period (C)	153,496	-
Total Gratuity provision as at period xx D=(A+B-C)	1,447,676.00	507,724.00

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30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	<i>Ksh</i>
Surplus for the period before tax	11,680,180
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	51,192,746
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	939,952
Changes in payments received in advance	-
Net cash flow from operating activities	63,812,878

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

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2024-2025)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions(note 21)	42,469,856	42,469,856	-	-
Bank balances	7,911,281	7,911,281	-	-
Total	50,381,137	50,381,137	-	-
As at 30 June (2023-2024)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	93,662,602	93,662,602	-	-
Bank balances	3,827,512	3,827,512	-	-
Total	97,490,114	97,490,114	-	-

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

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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 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 (2024-2025)				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,447,676	1,447,676
Total	-	-	1,447,676	1,447,676
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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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 no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

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

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

b) Interest rate risk

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

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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
	Kshs	Kshs
Revaluation Reserve		99,590,321
Retained Earnings		0
Capital Reserve	-	-
Total Funds		99,590,321
Total Borrowings	-	-
Less: Cash and Bank Balances	60,318,636	6,435,444

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Net Debt/(Excess Cash And Cash Equivalents)	60,318,636	6,435,444
Gearing	0%	0%

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32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,026,500	1,365,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	170,469,856	179,063,803
Total	173,496,356	180,428,803

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

Description	2024/205	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	0	0	0	0
Buildings and structures	6,100,000	0	0	6,100,000
Transport equipment	4,343,000	0	0	4,343,000
Office equipment, furniture and fittings	0	0	0	0
ICT Equipment, Software and Other ICT Assets	267,500	0	0	267,500
Other Machinery and Equipment	18,005,520	0	0	18,005,520
Intangible assets		0	0	
Work in progress		9,929,686		9,929,686
Total	28,716,020	9,929,686	0	38,645,706

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

S/NO	PMC NAME	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
PRIMARY SCHOOL PMCs					
1	MUMBUNI PRIMARY SCHOOL	FAMILY BANK	88000025340	0	-
2	KIKOKO GIRLS	FAMILY BANK	88000025581	67,705	-
3	WAUTU PRIMARY	FAMILY BANK	88000025580	77,913	-
4	AIC NUNGUNI PRIMARY	FAMILY BANK	88000025586	176,873	-
5	MUTONGU PRIMARY SCHOOL	FAMILY BANK	88000025585	1,390,000	-
6	UKIA PRIMARY	FAMILY BANK	88000025583	138,750	-
7	KINYUANI PRIMARY	FAMILY BANK	88000025582	140,005	-
8	MUNYUNI PRIMARY	FAMILY BANK	88000025592	80,033	-
9	AIC KATITU PRIMARY	FAMILY BANK	88000025591	160,810	-
10	MUTONGU PRIMARY	FAMILY BANK	88000025590	479,783	-
11	KYESUNI PRIMARY	FAMILY BANK	088000025589	429,349	-
12	MATANGI PRIMARY	FAMILY BANK	088000025595	151,732	-
13	MATINDINI PRIMARY SCHOOL	FAMILY BANK	088000025599	818,070	-
14	KILALA AIC PRIMARY	FAMILY BANK	088000025597	0	-
15	ITUMBULE PRIMARY	FAMILY BANK	088000025601	139,539	-
16	NTHIMBANI PRIMARY	FAMILY BANK	088000025608	598,989	-
17	MATUA PRIMARY	FAMILY BANK	088000025612	138,330	-
18	IUANI HGM	FAMILY BANK	088000025675	505,198	-
19	KAUMONI DEB	FAMILY BANK	088000025679	0	-
20	KYKI PRIMARY	KCB	1318234638	3	2.82

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21	ISOVYA PRIMARY	EQUITY	670282938627	0	1,200,205
22	NGULUNI PRIMARY	EQUITY	670297031220	0	600,000
23	NGILUNI PRIMARY	EQUITY	670294714546	0	300,000
24	MUTHETHE PRIMARY	EQUITY	670284323157	0	-
25	KIVAKU PRIMARY	EQUITY	670193483834	0	-
26	KIMWATHO PRIMARY	KCb	1311098259	0	-
27	ISOVYA PRIMARY SCHOOL	FAMILY BANK	088000027994	2,000,000	-
28	KYAMBAI PRIMARY	FAMILY BANK	088000027992	2,000,000	-
29	KYAKITUKU PRIMARY SCHOOL	FAMILY BANK	088000027988	1,200,000	-
30	KYAKATHUNGU PRIMARY SCHOOL	FAMILY BANK	088000027977	1,200,000	-
31	MUTHETHE PRIMARY SCHOOL	FAMILY BANK	088000027974	1,200,000	-
32	MUTANDA HGM PRIMARY SCHOOL	FAMILY BANK	088000027973	1,200,000	-
33	KILULUINI PRIMARY SCHOOL	FAMILY BANK	088000027971	2,000,000	-
				4,997,000	
				0	
				0	
				0	
				0	
				0	
				0	
			Total		
					21,290,081.32

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SECONDARY SCHOOL PMCs						
1	MUMBUNI SECONDARY SCHOOL	FAMILY BANK	88000025391	2,400,000	-	
2	THOMEANDU BOYS	EQUITY BANK	0600285651495	568,434	-	
3	KEE SEC SCHOOL	KCB	1130197077	1,000,000	-	
4	MUTULANI MIXED DAY SEC	FAMILY BANK	088000028013	1,000,000	-	
5	ABC KYUMU INTERGRATED SEC	FAMILY BANK	88000028010	2,000,000	-	
6	NUNGUNI SEC SCHL	FAMILY BANK	088000027987	1,200,000	-	
7	KILUNGU BOYS HIGH	FAMILY BANK	088000027965	1,200,000	-	
8	NDOLO BOYS HIGH	FAMILY BANK	088000027963	9,300,000	-	
				18,668,434.00	-	
					-	
TERTIARY INSTITUTIONS PMCs						
1	KMTC KILUNGU	KCB	1415999285	9,271,053	-	
					-	
SECURITY PMCs						
1	KASUNGUNI ASSISTANT CHIEF	FAMILY BANK	88000025382	17,650	-	
2	KITANDI ASSISTANT CHIEF	FAMILY BANK	88000025385	12,461	-	
3	NDUU ASSISTANT CHIEF	FAMILY BANK	088000027990	500,000	-	
4	KITHANGATHINI ASSISTANT CHIEF	FAMILY BANK	088000027989	1,200,000	-	
				1,730,111.00	-	
EMERGENCY PMCs						
	PRECIOUS BLOOD SEC	FAMILY BANK	-	-	-	
	NDOLO PRIMARY	FAMILY BANK	-	-	-	

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					50,959,679.32	2,100,208
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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)
1	<p>Unsupported committee expenses Observations</p> <p>The statement of receipts and payments and as disclosed in note 5 to the financial statements reflect committee expenses of kshs 2,670,000 which include an expenditure totalling kshs 597,950 whose support documents were not provided for audit review.</p>	<p>kshs 597,950 was committee expense. Support documents were not traced during audit exercise due to mix up of documents during internal audit exercise. The documents are now available.</p>	Not Resolved	<p>In consultation with the OAG. Pending appearance before DFAC</p>
2	<p>Undisclosed bank balance Observations</p> <p>The statement of assets and liabilities disclosed in note 11A to the financial statements reflect bank balance of kshs</p>	<p>Bank account statement for the said account are now available for review.</p>	Not Resolved	<p>In consultation with the OAG.</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>4,335,236 .however,review of records revealed that one bank account with balance of kshs 41,578 was not disclosed in the financial statements .further,the bank account was to be closed six (6) months after opening an account with with another bank as had been directed by NG-CDF Board. However, as at the time of audit in December 2024, the account had not been closed and bank statement was not provided for audit review.in the circumstances, the accuracy and completeness of cash and cash equivalent balance of kshs 4,335,236 could not be confirmed.</p>			<p>Pending appearance before DFAC</p>
3	<p>Unsupported gratuity Observations Note 14 to the financial statements reflects gratuity paid during the year of kshs 1,016,351 .However ,the payments vouchers and bank statements were not provided for review .In addition ,note 16 to the financial statements reflects gratuity prior year adjustments of kshs 1,062,693 whose support</p>	<p>The said payment vouchers were not traced during audit exercise due to mix up of documents during internal audit exercise. The documents are now available.</p>	<p>Not Resolved</p>	<p>In consultation with the OAG. Pending appearance before DFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	documents were not provided for audit review. Further note 18 and 19.2 to the financial statements reflect changes in accounts payables-gratuity and retentions and pending staff accounts payables respectively whose support documents were also not provided for audit review.			
4	Unsupported transfer to other government units Observations The statements of receipts and payments and as disclosed in note 7 to the financial statements reflect transfer to other government units of kshs 30,145,105.howver,analysis of the ledger provided for audit review revealed a total of kshs 30,340,725 resulting in unexplained and unreconciled variance of 195,620.	<ul style="list-style-type: none"> ▪ The Management confirmed that the all the highlighted payments were paid from the Administration vote and M&E respectively. • The ledger was overstated.However,the error has been corrected and ledgers are no longer overstated. 	Not Resolved	In consultation with the OAG. Pending appearance before DFAC
	Budgetary control and performance The summary statement of appropriation reflects receipts budget and actual amounts on	<ul style="list-style-type: none"> ▪ The underfunding was due to delay in disbursement of fund from the board. 	Not Resolved	In consultation

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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)
	comparables basis of kshs 230,425,082 and kshs 136,762,480 respectively resulting to under funding of kshs 93,662,602 or approximately 41% of the budget.			with the OAG. Pending appearance before DFAC
1	Failure to Report emergency projects to NGCDF Board	<p><u>Management Response</u></p> <ul style="list-style-type: none"> NG-CDFC communicates to the board on emergency projects on quarterly basis. Attached reports done to the board reporting such emergencies. 	Not Resolved	In consultation with the OAG. Pending appearance before DFAC
2	Failure to insure Fixed and Moveable assets According to note 4 of the financial statement the fund did not incur any insurance cost during the year under review and in the previous years. Meaning the fixed assets register with historical cost of Kshs 28,716,020 were not insured as required by section 36(3) of the National	<p><u>Management Response</u></p> <p>Assets are now insured</p>	Not Resolved	In consultation with the OAG. Pending appearance before DFAC

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Government constituency development fund act, 2015			

Name: Josefrida Kameti
 Fund Account Manager.

