

REPUBLIC OF KENYA



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

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Deputy leader of majority  
Hon. Owen Baya

**THE AUDITOR-GENERAL**

**ON**

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

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



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 39084 - 00100, NAIROBI  
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**KILOME CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

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

## **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;



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

**Vision**

Equitable Socio-economic development countrywide.

**Mission**

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

**Core Values**

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

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

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

### **Fiduciary Management**

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

No	Designation	Name
1.	AIE holder	Josefrida Mumbua Kameti
2.	National Sub-County Accountant	Benjamin Makau
3.	Chairman NGCDFC	Simon Muthiani Tama
4.	Member NGCDFC	Jennifer Mueni Nzinga
5.	Member NG CDFC	Salma Jaruf

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

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF KILOME Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

**(d) NGCDF KILOME Constituency Headquarters**

P.O. Box 163-90134  
NG-CDF Kilome Building,  
Mukaa Sub-County Hqtrs  
Yoani-Salama.  
Kenya

**(e) NGCDF KILOME Constituency Contacts**

Telephone: (254) 720 120 932  
E-mail: [cdfkilome@ngcdf.go.ke](mailto:cdfkilome@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(f) NGCDF KILOME Constituency Bankers**

**1. Bank A. (Operations Account)**

Kenya Commercial Bank  
Acc. No. 1124880895  
Emali Branch.  
P.O. Box 4076-90121,  
Emali, Kenya.

**2. Bank B. (Deposit account)**

Kenya Commercial Bank  
Acc. No. 1325516880  
Emali Branch.  
P.O. Box 4076-90121,  
Emali, Kenya.

**3. Bank C. (PMC Accounts)**

Kenya Commercial Bank  
Emali Branch.  
Account no. (Various)  
P.O. Box 4076-90121,  
Emali, Kenya.

**Bank D (PMC Accounts)**

Equity Bank  
Account Name: Mukaa Girls High School  
Account No. 1810286004074

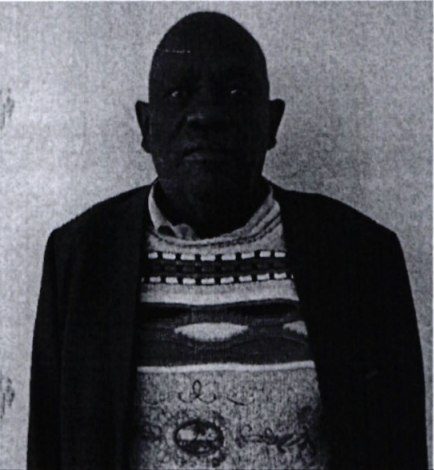


**(g) Independent Auditor**

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

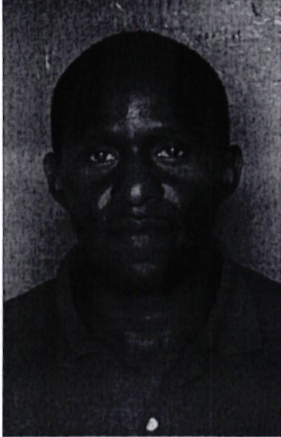
**(h) Principal Legal Adviser**

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

**3. NGCDF Committee**

<p><b>Chairman – Simon Muthiani Tama</b></p> 	<p><b>Date of Birth – 01-01-1954</b></p> <p><b><u>Academic Qualification/ Work Experience</u></b></p> <ul style="list-style-type: none"> <li>- Certificate in Teacher Education (P1)</li> <li>- Has been a teacher for the past 37 years-Now retired.</li> <li>- A very well-informed Church and community servant, with vast experience in the Public Sector.</li> </ul>
<p><b>Member 2 – Jennifer Mueni Nzinga</b></p> 	<p><b>Date of Birth – 1974</b></p> <p><b><u>Academic Qualification/ Work Experience</u></b></p> <ul style="list-style-type: none"> <li>- Certificate – KCSE C</li> <li>- In business for 7 years.</li> <li>- A very vocal community leader.</li> <li>- Has participated in various community activities in the constituency and County levels.</li> </ul>
<p><b>Member 3 –Salma Jaruf</b></p> 	<p><b>Date of Birth – 04-10-1991</b></p> <p><b><u>Academic Qualification/Work Experience</u></b></p> <ul style="list-style-type: none"> <li>- Diploma – ECDE</li> <li>- Currently a CBE teacher.</li> <li>- A youth leader, very vocal in community work and leadership.</li> </ul>

**Member 4 - Thaddeus Ndambo King'oo**

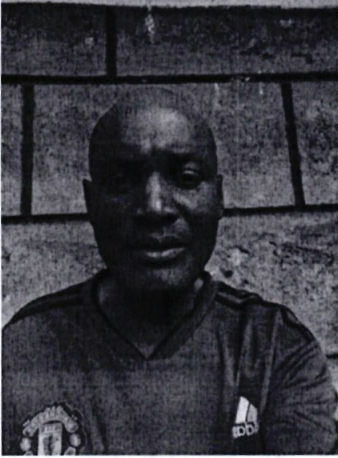


**Date of Birth – 10-05-1990**

**Academic Qualification/Work Experience**

- Certificate in IT
- CPA Part 1 Section 1&2
- A youth leader, very vibrant in matters involving Youth both in the constituency and outside.
- Vocal in community work and leadership.

**Member 5 - Augustine Mwikya**



**Date of Birth – 01-01-1981**

**Academic Qualification/Work Experience**

- KCSE C
- A vibrant PWD Representative.
- A frontier in sensitization on matters involving PWDs representation and empowerment.

**Member 6 - Steve Mutuku Munyao**



**Date of Birth – 19-06-1960**

**Academic Qualification/Work Experience**

- Diploma in Water Management.
- A former officer in the Ministry of Water holding the position of an Inspector-Water Supplies
- Works as a community leader in various projects majorly on Water projects management.

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**Member 7 - Margaret Maweu**



**Date of Birth – 1963**

**Academic Qualification/Work Experience**

- KCSE Certificate
- A re-known farmer in the society with good experience for over 20 years.
- Has participated in various community activities, majorly on women empowerment.

**Member 8 –Josephine Mutie**

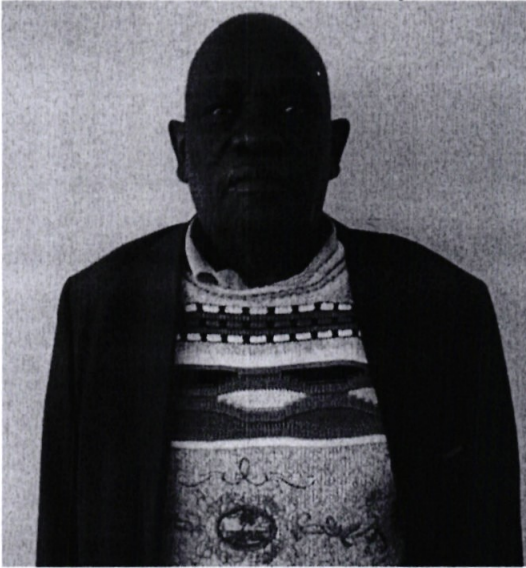


**Date of Birth –15-12-1977**

**Academic Qualification/Work Experience**

- KCSE Certificate
- A Community Development Officer
- A very vocal community advocate with good relations with the general public.
- Has previously worked as a community attendant with various NGOs.

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



**MR. SIMON MUTHIANI TAMA  
CHAIRPERSON NG-CDF KILOME**

#### **Brief Constituency Profile**

NG-CDF Kilome is an electoral constituency in Kenya. It is one of the six constituencies in Makueni County; the others are Kaiti, Makueni, Kibwezi East, Kibwezi West and Mbooni.

The constituency has three wards namely Kiima Kiu Kalanzoni Kiou, Kasikeu and Mukaa Kitaingo. It covers an area of 641.30 in sq. km (Apprx).The constituency borders several other constituencies, which include Kaiti...Latitude and longitude.

Kilome constituency lies in the arid and semi-arid zones of the eastern region of the country. The major physical features in Kilome include the Konza techno city among others.

#### **Commentary on significant budget performance against actual amounts for current year based on economic classification and programmes**

Transfers to other grants posted the highest performance of all the sectors. This involved mostly awarding of Bursaries which were prioritized during the Financial Year and hence posting a higher performance.

Other sectors with a recommendable performance include Transfers to other Government units that involved payment of projects for both Secondary and Primary schools majorly for new constructions and infrastructure renovations.

A few projects falling under this category were yet awaiting implementation due to late disbursement of funds, and others were still pending approval by the NG-CDF Board.

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The people of Kilome 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 programmes 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.

**Key Achievements**

During FY 2024-2025, NG-CDF Kilome awarded bursary to the needy and vulnerable students amounting to ksh. 63,888,517 against a budget allocation of ksh.63, 937,841.00. This was an outstanding achievement in the Education Programme.

Further, a total of Ksh.54,472,997 was allocated to the Education sector (Primary and Secondary schools) for various construction of classrooms and infrastructure renovations. The years' utilization for the year was Ksh. 46,748,132.

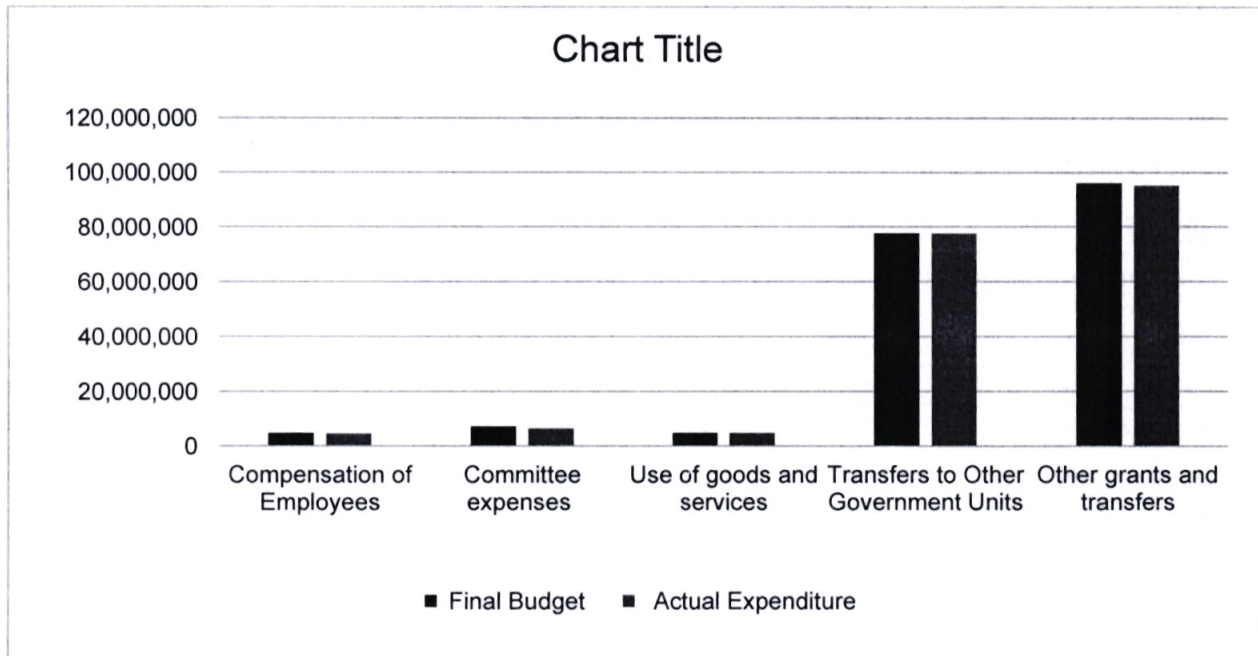
The general sectors' performance during the year was average since the NG-CDFC prioritized award of bursaries to needy and bright students. The entity is highly anticipating to improve its overall performance in the coming FY 2025-2026.

**SUMMARY OF THE BUDGET PERFORMANCE AGAINST ACTUAL AMOUNTS FOR CURRENT YEAR BASED ON ECONOMIC CLASSIFICATION AND PROGRAMMES.**

**Table 1: FINAL BUDGET AGAINST ACTUAL PERFORMANCE**

<b>Item</b>	<b>Final Budget</b>	<b>Actual Expenditure</b>
Compensation of Employees	7,054,914	6,103,932
Committee expenses	5,059,639	3,845,500
Use of goods and services	6,025,021	4,938,577
Transfers to Other Government Units	109,262,744	46,748,132
Other grants and transfers	105,404,319	84,341,228

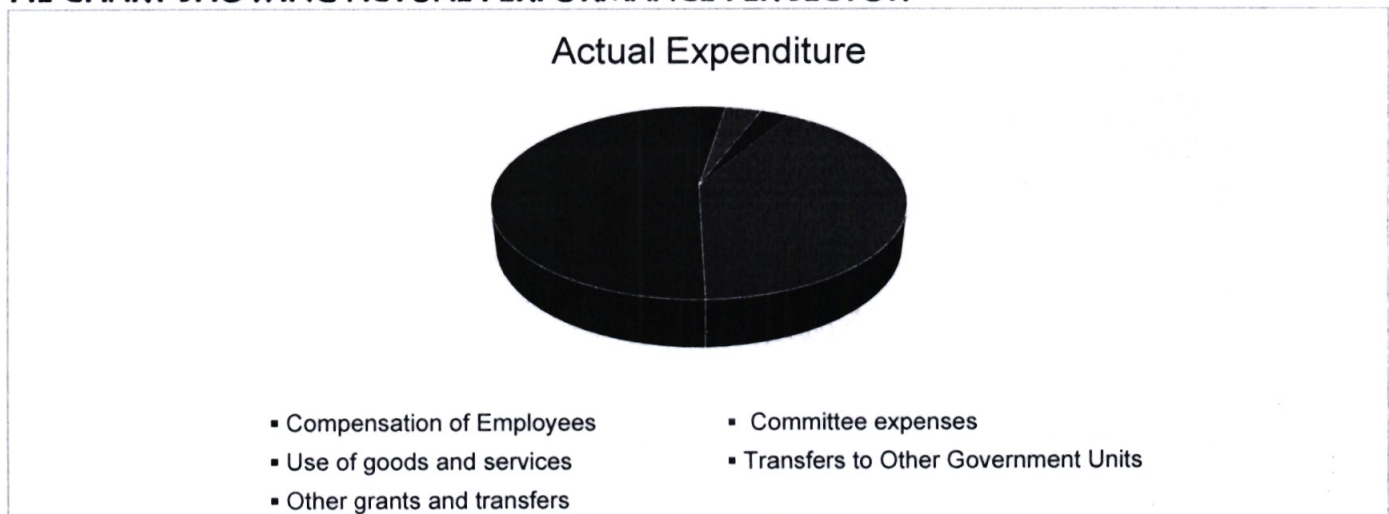
**GRAPH SHOWING FINAL BUDGET AGAINST ENTITY ACTUAL PERFORMANCE**



**Table 2: ACTUAL PERFORMANCE PER SECTOR**

Item	Actual Expenditure
Compensation of Employees	6,103,932
Committee expenses	3,845,500
Use of goods and services	4,938,577
Transfers to Other Government Units	46,748,132
Other grants and transfers	84,341,228

**PIE CHART SHOWING ACTUAL PERFORMANCE PER SECTOR**



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A few projects have been sampled as outstanding have been funded in FY 2024-2025. See photos below;

**PROJECT NAME:** UIINI PRIMARY SCHOOL                      **Y.O.I – FY 2024-2025**  
**PROJECT ACTIVITY:** Construction to Completion of 3 Classrooms with ramps for easy access by Persons with Disability

NG-CDF 2023-2024-3,750,000.00  
NG-CDF 2024-2025-750,000.00

**Project status:** Project has been done to completion, branded and handed over to PMC for use.



PROJECT NAME: AIC MATIANI GIRLS SEC SCHOOL Y.O.I – FY 2024-2025

PROJECT ACTIVITY: Construction to Completion of one dormitory with ramps for easy access by Persons with Disability

NG-CDF 2023-2024-5,000,000.00

NG-CDF 2024-2025-500,000.00

Project status: Project has been done to completion, branded and handed over to PMC for use.



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**PROJECT NAME: MUANI SEC SCHOOL Y.O.I – FY 2023-2024**

**PROJECT ACTIVITY:** Construction to Completion of one dormitory with ramps for easy access by Persons with Disability

**NG-CDF 2023-2024-5,000,000.00**

**NG-CDF 2024-2025-500,000.00**

**Project status:** Project has been done to completion, branded and handed over to PMC for use.



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**PROJECT NAME: UTHINI GIRLS SEC SCHOOL**

**Y.O.I – FY 2024-2025**

**PROJECT ACTIVITY:** Construction to Completion of one dormitory with ramps for easy access by Persons with Disability

**NG-CDF 2023-2024-5,000,000.00**

**NG-CDF 2024-2025-500,000.00**

**Project status:** Project has been done to completion, branded and handed over to PMC for use.



### **Implementation challenges**

- During FY 2024-2025, the fund experienced a few challenges that mostly led to late project implementation. The major challenge involved delay in funds disbursement from the NG-CDF Board hence delaying timely projects implementation.
- Inadequate funds for emergency projects. Most emergency cases are left unfunded because the available funds are not sufficient to meet the increasing emergency cases in the constituency. These cases majorly involve sunk toilets and roofs blown by wind in schools.
- Lack of knowledge on the part of PMCs on procurement procedures and guidelines. KILOME NG-CDF is conducting frequent PMC training in all the wards to enhance skills for the PMCs.

### **Emerging issues**

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

### **Way forward**

- The fund is hopeful that the National Treasury shall consider increasing the budget, enough to meet the needs of the constituents sufficiently.
- The NG-CDF Kilome shall plan and organize for more PMC Trainings in order to equip them with proper Project management knowledge.
- The NG-Board to consider releasing funds on time, to facilitate timely projects implementation.



.....  
**Name: SIMON M. TAMA**  
**Chairman NGCDF Committee**

**Statement of Performance against Predetermined Objectives for FY2024/25**

**Introduction**

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

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

1. Develop a Resource mobilization framework in distribution of resources to constituents
2. Education-keep children in school until secondary-to College/University by fair issuance of bursaries to needy students and improve its performance.
3. To increase youth, disabled and women participation in development and sports activities.
4. To enhance security in the area by having more police posts, chiefs offices.
5. To improve infrastructure within the constituency by ensuring more classrooms, Dormitories, Laboratories are put up in all Education Institutions-Both Primary and Secondary schools.
6. Enhance management and conservation of environment.
7. To gradually build capacity of the community to implement Successful development projects.

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

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions. Number of bursary’s beneficiaries at all levels	In FY 24/25, 8 classrooms and 4 dormitories were funded. All the Classrooms were built in Primary schools, 3 dormitories in secondary schools. The projects are all complete and in use. <b>Bursaries</b> Bursaries were disbursed as follows: A Total of 14,304 needy

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				students in secondary schools and 6,234 in tertiary institutions benefitted with bursary.
Security	To enhance security in the Constituency by having more police posts, chiefs offices.	Reduced insecurity complaints and improved service delivery.	Number of Police posts and Chief's offices built / Renovated in the Constituency.	Completion of construction of a DCCs House, Construction of a perimeter wall at the DCCs residence. Construction of Toilet blocks in three chief's offices.
Climate Change	Enhance management and conservation of environment	Improve on Tree planting, opening of road networks through construction of Gabions.	Number of projects implemented and completed from the Environment kitty.	Climate change funds were well utilised on rehabilitation of sand dams. Others for the year in subject were delayed (Pending approval) Once it is approved, the NG-CDFC Shall ensure immediate implementation of the intended projects.
Emergency	To cater for unforeseen occurrences in the constituency.	Responsive to emergency occurrences	Number of Emergency projects funded	Emergency funds were utilized for maintenance of three key-feeder roads leading to 2 primary schools and 1 secondary school. Others were used for repair / regular maintenance of the office.

## Governance Statement

### Introduction

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 members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

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

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

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

- 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.

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 gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board. At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

Kilome constituency-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. A selection panel chaired by the Deputy County Commissioner or his nominee selects five members and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects 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 coopts 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 gazette.

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

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

The committee has served its tenure of 3 years-contract and has since expired. Vetting of the new committee process has since been concluded, members proposed have been approved, now awaiting official gazette.

### **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.

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- 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 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 of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

**Induction and Training of Members**

In the financial year 2024/2025 the NGCDF Board in coalition with the RC Eastern, organized a training of NGCDFC members and Office Staff. 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 Kilome.

The new committee members have been approved by the Board, once gazzetted, the office shall organize for a NG-CDFC training/induction of the committee members.

**Removal of an NG-CDFC Member**

A member of the Constituency Committee may be removed from office on any one or more of the following grounds—

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;

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- Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Kilome the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

**Number of meetings held**

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2024/2025, the NGCDFC Kilome held 12 meetings through the year with the current committee as illustrated as follows;

**Schedule of meetings held during the FY 2024/2025**

**Key:**

- Member Present -√
- Member Absent – x

S. N O	NG-CDFC COMMITTEE MEMBERS	29/07/2024	15/08/2024	19/08/2024	10/09/2024	29/10/2024	06/11/2024	10/12/2024	10/01/2025	15/02/2025	02/04/2025	20/05/2025	06/06/2025
1	<b>Chairperson</b> - Simon Muthiani Tama	√	√	√	√	√	√	√	√	√	√	√	√
2	<b>Secretary</b> - Jennifer Mueni Nzinga	√	√	√	√	√	√	√	√	√	√	√	√
3	<b>Member</b> - Steve M. Munyao	√	√	X	√	√	√	√	√	√	√	√	√
4	<b>Member</b> - Margaret Kitumbi Maweu	√	√	√	√	√	√	√	X	√	√	√	√
5	<b>PWD</b> -Augustine M. Mutua	√	√	√	√	√	√	√	√	√	√	√	X
6	<b>Member</b> - Thaddeus N. King'oo	√	√	√	√	√	√	√	√	√	√	√	√
7	<b>Member</b> - Salma Jaruf	√	√	√	√	√	X	√	√	√	√	√	√

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8	Member - Josephine Mutie	√	√	√	√	√	√	√	√	√	√	√	√	√
9	DCC- Mayambi Buxton	√	X	√	X	√	X	√	√	√	X	√	X	X
10	FAM - - Josefrida Kameti	√	√	√	√	√	√	√	√	√	√	√	√	√

**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 Kilome 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. 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

made. In the financial year 2023/2024, no member of NGCDFC Kilome 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 herself 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 Kilome 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.

## **6. Management Discussion and Analysis**

The Kilome 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 Kilome NGCDF is run by approvals from the NGCDFC. This report provides an overview of the Kilome 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.

### **Financial Performance**

The Kilome NG-CDF has received significant funding from the national government, with allocations increasing annually. The Total allocations realized for the 5-year period is Ksh 724,843,608.33, with 100% utilization on development projects and Social security.

The allocations breakdown for the fund for the past five years are as follows;

- 2020/2021- Ksh. 137,088,879.31
- 2021/2022- Ksh. 137,088,879
- 2022/2023- Ksh. 131,342,462
- 2023/2024- Ksh. 157,825,629
- 2024/2025- Ksh. 161,497,759.02

NB: The allocations have been increasing significantly every financial year, hence positively influencing the Constituency's overall performance. This has been carried out with fairness, transparency, openness and accountability being key values.

### **Operational Performance**

Kilome NG-CDF has implemented various projects across the three wards namely; Kasikeu, Kiimakiu and Mukaa ward, focusing on education, security and Climate Change matters all being functions under the National Government.

## **Key Achievements**

- ❖ Construction of over 100 classrooms, and various infrastructure renovations, hence positively improving access to education for thousands of students in these learning institutions across the constituency.
- ❖ Construction of numerous security facilities and various infrastructure renovations, widely enhancing security services in the constituency.
- ❖ The Kilome NGCDF fund has overtime provided bursaries to needy students, supporting education at the grassroots level, with the number of bursary beneficiaries increasing in each respective financial year. This has greatly impacted the population positively as the rate of drop-out majorly due to fees challenges has ceased drastically.

## **MAJOR RISKS FACING THE FUND**

- The recent legal challenges have put NGCDF's future at stake with the High Court declaring the Fund unconstitutional in November, 2023. However, the National Assembly has unanimously passed the Constitution of Kenya (Amendment) Bill, 2025, which seeks to anchor three critical development funds into the Constitution including the NG-CDF. We are very hopeful that this shall come to finality for the benefit of the general public.

## **MATERIAL ARREARS IN STATUTORY AND OTHER FINANCIAL OBLIGATIONS**

Kilome NGCDF has fully complied to the presidential directives and laws and does not have material arrears in statutory and other financial obligations.

## **REVIEW OF THE ECONOMY**

Kenya's economy is experiencing a period of mixed performance. While some sectors show strong growth, others are facing challenges, and the overall outlook is subject to various risks. Real GDP growth is projected to be moderate, with the services sector and improved agricultural productivity playing key roles. However, factors like high debt levels, inflation, and potential currency depreciation pose significant risks.

**Key Highlights:**

- **GDP Growth:**

Kenya's GDP grew by 4.9% in the first quarter of 2025, with positive growth across most sectors, according to the Kenya National Bureau of Statistics. This growth was supported by a rebound in the agriculture sector due to favorable weather conditions and government subsidies on farm inputs.

**Sector Performance:**

- **Agriculture:** The agriculture sector has seen a recovery, particularly in 2023, following improved weather conditions and government support programs.

- **Services:** The services sector, including tourism, is expected to be a key driver of growth, with a strong performance anticipated in accommodation and food services.

- **Industry:** Industrial activities have shown mixed performance, with some sectors experiencing growth while others face challenges due to rising production costs and global economic slowdown.

- **Inflation:**

Inflation remains a concern, with rates exceeding the government's target band, particularly due to rising food and fuel prices.

- **Monetary Policy:**

The Central Bank has taken steps to ease monetary policy by cutting the Central Bank Rate, aiming to stimulate economic growth, but this could also put upward pressure on inflation.

- **Fiscal Policy:**

Kenya faces fiscal challenges, including high debt levels and a need for more efficient and equitable fiscal policies.

- **Risks:**

Several factors pose risks to Kenya's economic outlook, including high debt levels, inflationary pressures, potential currency depreciation, and the impact of global economic conditions.

**Government Initiatives:**

The government is focused on implementing the Bottom-Up Economic Transformation Agenda (BETA), prioritizing key sectors like agriculture, MSMEs, housing, healthcare, and the digital economy to drive inclusive growth and job creation, according to The National Treasury.

In conclusion, while Kenya's economy shows resilience and growth potential, it also faces significant challenges that require careful management and policy interventions.

**REVIEW OF THE SECTOR**

The NGCDF has been a cornerstone of Kenya's development model since its inception two decades ago. Over the last five years it has played a critical role in funding projects in education, security and climate change.

**FUTURE DEVELOPMENTS**

The Fund has continuously embarked on capacity building of NGCDFC members, staff and stakeholders as well as adoption of best practices in its implementation targeting high impact projects. It is also on e-GP trajectory and is putting a lot of emphasis on climate change related activities.

*JMK*

Name: Josefrida Kameti  
Fund Account Manager.



## **7. Environmental and Sustainability Reporting**

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

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

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

## 2. Environmental performance

Kilome NG-CDFC has highly participated in climate change activities including construction of gabions to curb soil erosion at particular dams/ rivers where it had become a menace.

This has really impacted lives of the community positively at a wider range since water both for domestic and livestock use isn't a problem anymore as it used to be.

**The environmental policy guiding the Kilome 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 Kilome 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.

- **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.
- **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.

### **Youth sensitization**

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

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

programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

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

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

KILOME Constituency is committed to fair and ethical market practices.

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

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

#### **NGCDF has put in efforts to ensure:**

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

**5. Community Engagements-**

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

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

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

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

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

**Public Awareness**

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

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

*JMK*

Name: Josefrida Kameti  
Fund Account Manager.



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

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

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

**Approval of the financial statements**

The NGCDF- KILOME Constituency financial statements were approved and signed by the Accounting Officer on 04/11/ 2025.



.....  
**Name: Simon Tama**  
**Chairman – NGCDF Committee**



.....  
**Name: Josefrida Kameti**  
**Fund Account Manager**



# REPUBLIC OF KENYA

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

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### PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

#### Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kilome Constituency set out on pages 1 to 58 which

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

comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kilome Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (amended 2023) and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kilome 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 opinion.

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects total expenditure of Kshs.144,248,444 against actual receipts of Kshs.225,759,868 resulting to under absorption of Kshs.81,511,424 or approximately 36% of actual receipts.

The under-absorption affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Information**

The Management is responsible for the Other Information set out on pages ii to xxxviii which comprise of Key Constituency Information and Management, NG-CDF Committee, NG-CDF Chairman's Report, Corporate Governance Statement, Management

Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management 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 effects of the matter 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

#### Delay in Project Implementation

Review of the project implementation status report as at 30 June, 2025 revealed that the National Government Constituencies Development Fund - Kilome Constituency allocated Kshs.206,357,469 for implementation of fifty-eight (58) projects. Included in the projects are twenty-one (21) projects with a budget allocation of Kshs.68,894,360 which were rolled over from the previous financial year and thirteen (13) projects with a budget allocation of Kshs.72,636,563 for the current year which were completed and in use. Twenty (20) projects with a budget allocation of Kshs.51,751,650 were at the procurement stage, while four (4) projects worth Kshs.13,074,887 were awaiting Board approval as shown in **Appendix I**.

In the circumstances, the constituents of Kilome Constituency did not obtain value for money from the incomplete projects with a total budget allocation of Kshs.64,826,537.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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**

**19 November, 2025**

**Appendix :1 Delay in Project Implementation**

No.	Project name	Approved activity	Amount allocated (Kshs)	Implementation status
<b>A</b>	<b>Projects Pending Board Approval</b>			
1	Kwa-Kyai Sand Dam	Construction of a retention wall, erection of Gabions to curb erosion.	3,565,217	Funds still pending board approval
2	Munyuni Sand Dam	Construction of a retention wall, erection of Gabions to curb erosion.	3,509,670	Funds still pending board approval
3	Kiimakui Secondary School	Completion of construction of a Boys dormitory – Pending activities including: -general finishes for Basement, Ground floor and 1 <sup>st</sup> Floor	3,000,000	Funds still pending board approval
4	Kitonguni Secondary School	Construction of three classrooms to completion. Proposed Activities include: -Walling, fitting of doors and windows, Tiling, plastering, interior and exterior painting.	3,000,000	Funds still pending board approval
<b>Total Pending Board Approval</b>			<b>13,074,887</b>	
<b>B</b>	<b>Projects at Procurement Stage</b>			
1	ACK St. Stephen's Kima	Construction of a Girls dormitory to completion-1 <sup>st</sup> Floor with a capacity of	5,000,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway.

	Secondary School	100 beds- With ramps and rails for ease of use by PWDs.		Project implementation delayed due to E-GP issues.
2	ABC Muua Secondary School	Construction of three classrooms to completion	5,000,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
3	Mulumini Secondary School	Renovation to completion of 4 classrooms – Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	2,000,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
4	Marwa Secondary School	Construction to completion of a modern Girls dormitory	5,500,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
5	Mawani Primary School	Construction to Completion of 2 Classroom with ramps for easy access by PWDs.	2,500,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
6	Kwawala Primary School	Construction to Completion of 3 Classroom with ramps for easy access by PWDs.	3,750,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
7	Itumbule Primary School	Construction to Completion of 2 Classrooms with ramps for easy access by PWDs.	2,500,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation

				delayed due to E-GP issues.
8	Ngaamba Primary School	Construction to Completion of 2 Classrooms with ramps for easy access by PWDs.	2,500,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
9	Kwakalelo Primary School	Construction to Completion of 1 Classroom with ramps for easy access by PWDs.	1,250,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
10	AIC Malili Primary School	Construction to Completion of 1 Classroom with ramps for easy access by PWDs.	1,300,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
11	Ngiluni Primary School	Construction to Completion of 2 Classrooms with ramps for easy access by PWDs.	2,700,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
12	Kiima Kiu Primary School	Construction to Completion of 1 Classroom with ramps for easy access by PWDs.	1,250,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
13	Landu Primary School	Construction to completion of a girl's modern dormitory	4,000,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation

				delayed due to E-GP issues.
14	Mukaa Primary School	Construction to completion of a Boys' modern dormitory	3,750,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
15	Masokani Primary School	Renovation to completion of a block of 5 classrooms: Re-roofing, fixing of Doors and windows, Flooring with Tiles, Plastering and painting works	2,500,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
16	Marwa Primary School	Renovation to completion of a block of 3 classrooms: Re-roofing, fixing of doors and windows, flooring with tiles, Plastering and painting works	1,200,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
17	Kathikwani Primary School	Renovation to completion of a block of 3 classrooms: Re-roofing, fixing of doors and windows, flooring with tiles, Plastering and painting works	1,200,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
18	Mulumini Primary School	Renovation to completion of a block of 3 classrooms: Re-roofing, fixing of doors and windows, flooring with tiles, Plastering and painting works	1,200,000	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.

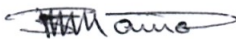
19	Kikongooni Primary School	Renovation to completion of 3 classrooms – Re-roofing, Door and window fitting, Tiling, Plastering and Re-painting.	1,609,387	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
20	Mukaa Sub county - DCC Residence	Completion of Construction of a perimeter wall at the Mukaa Sub County DCCs residential House.	1,042,242	Funds were disbursed into PMC Account by July 2025. Procurement process is underway. Project implementation delayed due to E-GP issues.
<b>Total Projects at Procurement Stage</b>			<b>51,751,650</b>	


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

	Note	2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	161,497,759
Grants/donations from other entities	7	
<b>Revenue from exchange transactions</b>		
Finance income	8	
Miscellaneous income	9	34,000
<b>Total revenue</b>		<b>161,531,759</b>
<b>Expenses</b>		
Employee costs	10	6,103,932
Committee expenses	11	3,845,500
Use of Goods and Services	12	4,938,577
Other Government Units Actual expenditure	13	46,748,132
Other Grants and Transfers Actual expenditure	14	84,341,228
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
<b>Total expenses</b>		<b>145,977,369</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>15,554,390</b>

The Constituency financial statements were approved by the NGCDFC on 04/11 2025 and signed by:

  
 Chairman NG-CDF  
 Committee  
 Name: Simon Tama

  
 National Sub-County  
 Accountant  
 Name: Benjamin Makau  
 ICPAK M/No: 22530  
 Name: Benjamin Makau

  
 Fund Account Manager  
 Name: Josefrida Kameti



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**11. Statement of Financial Position As At 30th June, 2025**

	Note	<i>Period as at June 2025</i>	<i>Opening Statement 1st July 2024</i>
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	81,511,425	41,866,409
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	14,497,759	36,859,459
Prepayments	22		-
<b>Total Current Assets</b>		<b>96,009,184</b>	<b>78,725,868</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>96,009,184</b>	<b>78,725,868</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	2,510,773	781,848
<b>Total Current Liabilities</b>		<b>2,510,773</b>	<b>781,848</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>2,510,773</b>	<b>781,848</b>
<b>Net Assets (A-B)</b>		<b>93,498,410</b>	<b>77,944,020</b>
<b>Represented by:</b>			
Reserves		75,710,002	60,155,612
Accumulated Surplus		17,788,408	17,788,408
<b>Total Net Assets</b>		<b>93,498,410</b>	<b>77,944,020</b>

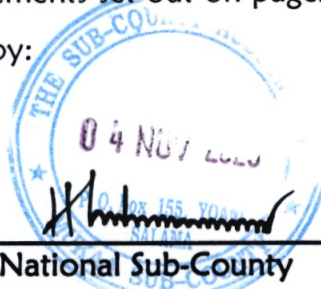
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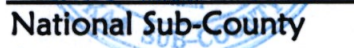
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The Constituency financial statements set out on pages 1 to 10 approved by the NGCDFC on 04/11/ 2025 and signed by:



**Chairman NG-CDF  
Committee  
Name: Simon Tama**



  
**National Sub-County  
Accountant  
Name: Benjamin Makau  
ICPAK M/No: 22530  
Name: Benjamin Makau**



**Fund Account Manager  
Name: Josefrida Kameti**



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

Description	Reserves	Accumulated	Total
		surplus/Deficit	Kshs
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	21,026,471	(19,071,051)	1,955,420
Adjustments: (to recognize assets and liabilities)			-
Add PMC Balances	39,129,141	-	39,129,141
Add receivables from the Board	-	36,859,459	36,859,459
<b>As at July 1, 2024</b>	<b>60,155,612</b>	<b>17,788,408</b>	<b>77,944,020</b>
			-
Surplus/(Deficit) For the Period	15,554,390		15,554,390
Revaluation Gain/Loss	-		-
<b>As at 30<sup>th</sup> June 2025</b>	<b>75,710,002</b>	<b>17,788,408</b>	<b>93,498,410</b>

Note:

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

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**13. Statement of Cash Flows for The Year Ended 30th June 2025**

	Notes	Period ended
		Jun-25
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		183,859,459
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		34,000
<b>Total Receipts</b>		<b>183,893,459</b>
<b>Payments</b>		
Employee costs		4,375,007
Committee expenses		3,845,500
Use of Goods and Services		4,938,577
Other Government Units Certified Works		46,748,132
Other Grants and Transfers		84,341,228
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>144,248,444</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	30	<b>39,645,015</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>
<b>Net increase/(decrease) in cash &amp;</b>		<b>39,645,015</b>
<b>Cash equivalents</b>		

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<b>Cash Flows from Financing Activities</b>		
gratuity		
<b>Net Cash Flows from Financing Activities</b>		<b>39,645,015</b>
Cash and cash equivalents at Period Start	19	<b>41,866,409</b>
<b>Cash and cash equivalents at Period End</b>	19	<b>81,511,424</b>

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	$f=d/c*100$
	2024-2025	Opening Balance (operational , deposit and PMCs C/Bk) and AIA	Previous	2024-2025	2024-2025		
<b>Revenue</b>							
Transfers From the NGCDF Board	161,497,759	41,866,409	36,859,459	240,223,627	225,725,868	14,497,759	
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	34,000	-	34,000	34,000		
<b>Totals</b>	<b>161,497,759</b>	<b>41,900,409</b>	<b>36,859,459</b>	<b>240,257,627</b>	<b>225,759,868</b>	<b>14,497,759</b>	
<b>Expenses</b>							
Employee costs	6,118,687	781,848	71,271	6,971,806	4,375,007	2,596,799	
Committee expenses	3,624,000	-	568,737	4,192,737	3,845,500	347,237	
Use of Goods and Services	4,792,111	-	227,500	5,019,611	4,938,577	81,034	
Other Government Units	54,472,997	40,751,045	16,411,112	111,635,154	46,748,132	64,887,022	

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	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (operational , deposit and PMCs C/Bk) and AIA	Previous	2024-2025	2024-2025		
Certified Works							
Other Grants and Transfers	85,489,964	333,516	19,580,839	105,404,319	84,341,228	21,063,091	
NGCDF Office equipment	1,000,000			1,000,000	-	1,000,000	
Digital Hubs Expenses	-	-	-	-		-	
Funds Pending Approval**	6,000,000	34,000	-	6,034,000		6,034,000	
<b>Total Expenditure</b>	<b>161,497,759</b>	<b>41,900,409</b>	<b>36,859,459</b>	<b>240,257,627</b>	<b>144,248,444</b>	<b>96,009,183</b>	
<b>Surplus for the period</b>							

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

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**Explanatory Notes.**

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	96,009,183
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	14,497,759
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	81,511,424

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 04/11/2025 and signed by:

  
 Chairman NG-CDF Committee  
 Name: Simon Tama

  
 National Sub-County Accountant  
 Name: Benjamin Makau  
 ICPAK M/No: 22530

  
 Fund Account Manager  
 Name: Josefrida Kameti



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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	6,118,687	781,848	71,271	<b>6,971,806</b>	4,375,007	2,596,799
1.2 Committee allowances	1,474,000	-	227,500	<b>1,701,500</b>	1,701,500	-
1.3 Use of goods and services	2,097,178	-	-	<b>2,097,178</b>	1,947,699	149,479
<b>Sub-total</b>	<b>9,689,866</b>	<b>781,848</b>	<b>298,771</b>	<b>10,770,485</b>	<b>8,024,206</b>	<b>2,746,279</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,400,000		568,737	<b>1,968,737</b>	1,962,000	6,737
2.2 Committee allowances	2,150,000	-	-	<b>2,150,000</b>	2,144,000	6,000
2.3 Use of goods and services	1,294,933	-	-	<b>1,294,933</b>	1,028,878	266,055
<b>Sub-total</b>	<b>4,844,933</b>	<b>-</b>	<b>568,737</b>	<b>5,413,670</b>	<b>5,134,878</b>	<b>278,792</b>
<b>4.0 Emergency</b>						
unutilized	8,499,879		132,943	<b>8,632,822</b>	6,291,000	2,341,822
<b>Sub-total</b>	<b>8,499,879</b>	<b>-</b>	<b>132,943</b>	<b>8,632,822</b>	<b>6,291,000</b>	<b>2,341,822</b>

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<b>5.0 Bursary and Social Security</b>						
5.1 Primary Schools				-		-
5.2 Secondary Schools	41,000,000		25,691	<b>41,025,691</b>	41,023,787	1,904
5.3 Tertiary Institutions	20,000,000		207,753	<b>20,207,753</b>	20,200,450	7,303
5.4 special needs	2,599,104		105,293	<b>2,704,397</b>	2,664,280	40,117
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
<b>Sub-total</b>	<b>63,599,104</b>	<b>-</b>	<b>338,737</b>	<b>63,937,841</b>	<b>63,888,517</b>	<b>49,324</b>
<b>7.0 Environment</b>						
Kwa-Kyai Sand Dam	3,565,218			3,565,218	-	3,565,218
Munyuni Sand Dam	3,509,670			3,509,670	-	3,509,670
Kivovoani Sand Dam			3,434,769	3,434,769	3,433,865	904
Kwa-Mavyuva Sand Dam			3,456,513	3,456,513	3,455,691	822
Kikuyuni Sand Dam			407,812	407,812	380,999	26,813
<b>Sub-total</b>	<b>7,074,888</b>	<b>-</b>	<b>7,299,093</b>	<b>14,373,981</b>	<b>7,270,555</b>	<b>7,103,426</b>
<b>8.0 Primary Schools Projects</b>						
Mawani Primary School	2,500,000			2,500,000	-	2,500,000
Kwawala Primary School	3,750,000			3,750,000	-	3,750,000
Itumbule Primary School	2,500,000			2,500,000	-	2,500,000
Ngaamba Primary School	2,500,000			2,500,000	-	2,500,000
Kwakalelo Primary School	1,250,000			1,250,000	-	1,250,000
Aic Malili Primary School	1,300,000			1,300,000	-	1,300,000
Ngiluni Primary School	2,700,000			2,700,000	-	2,700,000
Kiima Kiu Primary School	1,250,000			1,250,000	-	1,250,000
Landu Primary School	4,000,000			4,000,000	-	4,000,000
Mukaa Primary School	3,750,000			3,750,000	-	3,750,000
Masokani Primary School	2,500,000			2,500,000	-	2,500,000

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Marwa Primary School	1,200,000			1,200,000	-	1,200,000
Kathikwani Primary School	1,200,000			1,200,000	-	1,200,000
Mulumini Primary School	1,200,000			1,200,000	-	1,200,000
Kikongooni Primary School	1,609,387			1,609,387	-	1,609,387
Muua Mixed Primary School	500,000			500,000	-	500,000
Kea Primary School	256,805			256,805	-	256,805
Malili Primary School	256,805			256,805	-	256,805
Kamaku Primary school		2,500,000		2,500,000	2,376,874	123,126
Malili Township Primary		2,741,405	800,000	3,541,405	3,483,236	58,169
Ndemi Primary School		223,149		223,149	126	223,023
St Patricks Kawese Primary School		2,742,965		2,742,965	2,606,836	136,130
Kwakaseke Primary School		2,742,965		2,742,965	2,608,104	134,862
Uvunye Primary School		2,743,140		2,743,140	2,602,123	141,018
Kea Primary School		2,742,965		2,742,965	2,742,309	657
Kiongwani Primary School		45,586		45,586	-	45,586
Uiini Primary School	750,000	3,748,745		4,498,745	4,498,032	713
Kwale Primary School		1,360		1,360	-	1,360
Aic Sultan Hamud Primary School				-		-
Kalimbini Primary School		2,742,965		2,742,965	2,727,055	15,910
St. Peters Kwandeke Primary School		2,742,965		2,742,965	2,626,721	116,245
Nzeveni Primary School			3,000,000	3,000,000	2,999,200	800
<b>Sub-total</b>	<b>34,972,997</b>	<b>25,718,211</b>	<b>3,800,000</b>	<b>64,491,208</b>	<b>29,270,614</b>	<b>35,220,594</b>
<b>9.0 Secondary Schools Projects (List all the Projects)</b>						

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Ack St. Stephen's Kima Secondary School	5,000,000			5,000,000	-	5,000,000
Abc Muua Secondary School	5,000,000			5,000,000	-	5,000,000
Mulumini Secondary School	2,000,000			2,000,000	-	2,000,000
Marwa Secondary School	5,500,000			5,500,000	-	5,500,000
Uthini Secondary School	500,000	4,999,770		5,499,770	5,496,876	2,894
Matiani Secondary School	500,000	5,001,185		5,501,185	5,494,821	6,364
Muani Secondary School	500,000	4,999,770		5,499,770	5,276,702	223,068
Masokani Secondary School	500,000			500,000	-	500,000
Abc Muua Secondary School		32,109		32,109	30,755	1,354
Ack St Stephen Kima Secondary School				-		-
Aic Sultan Hamud Sec			4,600,000	4,600,000	-	4,600,000
Mukaa Girls Secondary School			4,000,000	4,000,000	-	4,000,000
Kasikeu Boys Secondary School			4,000,000	4,000,000	1,178,363	2,821,637
<b>Sub-total</b>	<b>19,500,000</b>	<b>15,032,834</b>	<b>12,600,000</b>	<b>47,132,834</b>	<b>17,477,517</b>	<b>29,655,317</b>
<b>10.0 Tertiary institutions Projects (List all the Projects)</b>						
				-		-
				-		-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11.0 Security Projects</b>						
Kilome Police post	273,850			273,850		273,850
Mukaa Sub county - DCC Residence	1,042,243	333,516	<b>3,368,177</b>	4,743,936	417,913	4,326,023
Sultan Hamud Chief's Office			500,000	500,000	-	500,000

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SULTAN Hamud POLICE STATION			950,000	950,000	252	949,748
NGAAMBA CHIEFS OFFICE			500,000	500,000	476,819	23,182
MBYANI CHIEFS OFFICE			500,000	500,000	-	500,000
<b>Sub-total</b>	<b>1,316,093</b>	<b>333,516</b>	<b>5,818,177</b>	<b>7,467,786</b>	<b>894,984</b>	<b>6,572,803</b>
<b>12.0 Acquisition of assets</b>						
12.1 Motor Vehicles (including motorbikes)			-	-	-	-
12.2 Purchase of furniture and fittings/Computers	1,000,000			1,000,000	-	1,000,000
12.2 Construction of CDF office				-	-	-
<b>Sub-total</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>
<b>13.0 Others</b>						
Revision Materials	5,000,000	-	6,000,000	11,000,000	5,996,172	5,003,828
Strategic Plan			3,000	3,000	-	3,000
<b>Sub-total</b>	<b>5,000,000</b>	<b>-</b>	<b>6,003,000</b>	<b>11,003,000</b>	<b>5,996,172</b>	<b>5,006,828</b>
<b>Funds pending approval**</b>						
unapproved projects	6,000,000	34,000		6,034,000		6,034,000
AiA	-			-		-
<b>Sub-total</b>	<b>6,000,000</b>	<b>34,000</b>	<b>-</b>	<b>6,034,000</b>	<b>-</b>	<b>6,034,000</b>
<b>Total</b>	<b>161,497,759</b>	<b>41,900,409</b>	<b>36,859,459</b>	<b>240,257,627</b>	<b>144,248,442</b>	<b>96,009,185</b>

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

## **16. 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 KILOME Constituency principal activity is KILOME.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the NG-CDF's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Kilome 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 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.

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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 1<sup>st</sup> January 2025, it is applicable in Kenya from 1<sup>st</sup> July 2025)*

- 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.*

IPSAS 43:	<b><i>Applicable 1<sup>st</sup> January 2025</i></b>
Leases	<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 cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><b><i>This IPSAS is not applicable to the constituency</i></b></p>
IPSAS 44:	<b><i>Applicable 1<sup>st</sup> January 2025</i></b>
Non- Current Assets Held for Sale and Discontinued Operations	<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</p>

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	<p>performance.</p> <p><b><i>This IPSAS is not applicable to the constituency</i></b></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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><b><i>This IPSAS is applicable to the constituency effective 1<sup>st</sup> July,2025</i></b></p>
<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>This IPSAS is applicable to the constituency effective 1<sup>st</sup> July,2025</i></b></p>
<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS</p>

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	<p>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><b><i>This IPSAS is applicable to the constituency effective 1st July,2026</i></b></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b><i>This IPSAS is not applicable to the constituency this Financial year</i></b></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b><i>This IPSAS is not applicable to the constituency</i></b></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from</li> </ol>

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	any exploration and evaluation assets recognized. <i>This IPSAS is not applicable to the constituency</i>
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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 30<sup>th</sup> June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

**c) Property, plant and equipment**

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

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

**d) Leases**

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

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

**e) Intangible assets**

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

**f) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Trade and other receivables**

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

### **Fair value through surplus or deficit**

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

## **Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

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

**j) Contingent liabilities**

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

**k) Contingent assets**

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

reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Employee benefits**

**Retirement benefit plans**

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

**m) Foreign currency transactions**

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

**n) Related parties**

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

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

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

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

### **Estimates and assumptions.**

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

### **Useful lives and residual value**

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

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

### **Provisions**

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

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**6. Transfers from the NGCDF Board**

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	161,497,759
<b>Total</b>	<b>161,497,759</b>

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

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

**8. Finance income**

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

*(Provide a brief explanation for this revenue)*

**9. Miscellaneous income**

	2024-2025
	Kshs
Rental Income	-
Income from sale of tenders	34,000
Hire of plant/equipment/facilities	
Other Income Not Classified Elsewhere <i>(specify)</i>	-
<b>Total</b>	<b>34,000</b>

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**10. Employees cost**

	<b>2024-2025</b>
	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,874,797
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,728,925
Employer Contributions Compulsory national social security schemes	379,094
Employer Contributions Compulsory Housing levy	117,516
Employer contributions to National Industrial Training Authority	3,600
Other Specify	-
<b>Total</b>	<b>6,103,932</b>

**11. Committee Expenses**

	<b>2024-2025</b>
	<b>Kshs</b>
Sitting allowance	1,701,500
Other Committee expenses	2,144,000
<b>Total</b>	<b>3,845,500</b>

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**12. Use of Goods and services**

	<b>2024-2025</b>
	<b>Kshs</b>
Utilities, supplies and services	117,250
Communication, supplies and services	912,165
Domestic travel and subsistence	425,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	1,962,000
Hospitality supplies and services	146,650
Insurance costs	346,634
Specialized materials and services	-
Office and general supplies and services	169,900
Fuel, oil & lubricants	450,000
Bank charges	127,840
Routine maintenance – vehicles and other transport equipment	281,138
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
<b>Total</b>	<b>4,938,577</b>

**13. Other Government Units Actual expenditure**

<b>Description</b>	<b>2024-2025</b>
	<b>Kshs</b>
Primary Schools Actual expenditure	29,270,615
Secondary Schools Actual expenditure	17,477,517
Tertiary Institutions Actual expenditure	-
<b>Total</b>	<b>46,748,132</b>

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

	<b>2024-2025</b>
	<b>Kshs</b>
Bursary – secondary schools	41,023,787
Bursary – tertiary institutions	20,200,450
Bursary – special schools	2,664,280
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	894,984
Climate change mitigation projects	7,270,555
Emergency projects Actual expenditure	6,291,000
Roads projects Actual expenditure	-
Others specify-Revision materials	5,996,172
<b>Total</b>	<b>84,341,228</b>

**15. Depreciation and Amortization Expenses**

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

**16. Digital Hubs Expenses**

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

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

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

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

**18. Impairment Loss**

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

*(Provide brief explanation on assets impairment loss)*

**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	2024-2025 FY	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No. (Operations account)</i> <b>Bank A. (Operations Account)</b> Kenya Commercial Bank-Emali Branch. Acc. No. 1124880895	57,043,610	1,955,420
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i> <b>Bank B. (Deposit account)</b> Kenya Commercial Bank-Emali Branch. Acc. No. 1325516880	2,508,933	781,848
<i>Name of Bank, account No. (PMC accounts)</i>	21,958,881	39,129,141
<b>Total</b>	<b>81,511,425</b>	<b>41,866,409</b>

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	-	-
<b>Cash Balances</b>	-	-
Location 1	-	-
Location 2	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	-	-
<i>[Provided Cash Count Certificates for Each]</i>	-	-

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

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**20. Receivables from Exchange Transactions**

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

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

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

Description	2024-2025 FY		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	14,497,759		36,859,459	
Outstanding imprest			-	
<b>Total</b>	<b>14,497,759</b>		<b>36,859,459</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2024-2025 FY</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	14,497,759	100%	36,859,459	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>14,497,759</b>	<b>100%</b>	<b>36,859,459</b>	<b>100%</b>

**22. Prepayments**

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

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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
<b>Depreciation Rate(specify)</b>		2%	25%	12.5%	30%	x%		
<b>Cost</b>	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Opening Bal as 1<sup>st</sup> July 2025</b>								
Additions								
Disposals								
Transfer/Adjustments								
<b>As At 30<sup>th</sup> June 2025</b>								
<b>Depreciation And Impairment</b>								
<b>Opening Depreciation</b>								
Depreciation								
Disposals								
Impairment								
Transfer/Adjustment								
<b>As At 30<sup>th</sup> June 2025</b>								
<b>Net Book Values</b>								
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>								
<b>As At 30<sup>th</sup> June 2025</b>								

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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 30<sup>th</sup> June 2020).

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

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

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	3,000,000	-	3,000,000
Buildings	10,487,253	-	10,487,253
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	8,848,959	-	8,848,959
Computers And Related Equipment	694,140	-	694,140
Office Equipment, Furniture, And Fittings	1,108,500	-	1,108,500
<b>Total</b>	<b>25,751,462</b>	<b>-</b>	<b>25,751,462</b>

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

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

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**24. Intangible Assets**

Description	2024-23025
	Kshs
<b>Cost</b>	
Opening balance at 1 <sup>st</sup> July 2024	-
Additions	-
Disposal	-
<b>At end of the 2025</b>	-
<b>Amortization and impairment</b>	
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1 <sup>st</sup> 2024	-
NBV at June 30 <sup>th</sup> 2025	

**25. Right-of use assets**

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
As at 1 July 2024				
Additions				
As at 30 Sept/Dec/ March/June 2025				
<b>Accumulated Depreciation</b>				
As at 1 July 2024				
Charge for the year				
As at 30 Sept/Dec/ March/June 2025				
<b>Carrying Amount</b>				
As at 30 Sept/Dec/ March/June 2025				

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**26. Trade and Other Payables**

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

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**27. Third-Party deposits**

	<b>2024-2025</b>
	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	-
Retention held during the year (B)	5,091,800
Retention paid during the Year (C)	-
<b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b>	<b>5,091,800</b>

**Retentions aging analysis.**

	<b>2024-2025</b>	<b>% of the total</b>	<b>2023-2024</b>	<b>% of the total</b>
Less than 1 year	5,091,800	100%	-	%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
<b>Total</b>	<b>5,091,800</b>	<b>100%</b>	<b>-</b>	

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

**28. Lease Liabilities**

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

**Maturity Analysis**

<b>Period</b>	<b>Amount</b>
Year 1	
Year 2	
Year 3	
Year 4	
Year 5 and onwards	
Less: unearned Interest	

**Analysed as:**

<b>Description</b>	<b>Amount</b>
Current	
Non- Current	
Total	

**29. Gratuity Provision**

<b>Description</b>	<b>2024-2025</b>
	<b>Kshs</b>
Gratuity at the beginning of the year 1 <sup>st</sup> of July 2024	781,848
Gratuity held during the year	1,728,925
Gratuity paid during the year	-
<b>Total Gratuity Provision 30th June (A+B-C)</b>	<b>2,510,773</b>

### 30. Cash Generated from Operations

	<b>2024-2025</b>
	<b>Kshs</b>
	15,554,390
<b>Surplus/Deficit for the year</b>	
<b>Adjusted for:</b>	
Depreciation	
Impairment	
Gains and losses on disposal of assets	
<b>Working capital adjustments</b>	
Changes in receivables	22,361,700
Changes in payables	
<b>Net cash flow from operating activities</b>	<b>39,645,015</b>

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

### 31. Financial Risk Management

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

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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
<b>As at 30<sup>th</sup> June (2024-2025)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	14,497,759	14,497,759	-	-
Bank balances	81,511,425	81,511,425	-	-
<b>Total</b>	<b>96,009,184</b>	<b>96,009,184</b>	-	-
<b>As at 30 June (2023-2024)</b>				
Receivables from exchange transactions			-	-
Receivables from non-exchange transactions	41,866,409	41,866,409	-	-
Bank balances	36,859,459	36,859,459	-	-
<b>Total</b>	<b>78,725,868</b>	<b>78,725,868</b>	-	-

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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 Entity has significant concentration of credit risk on amounts due from KILOME. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (2024-2025)</b>				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	2,510,773	2,510,773
<b>Total</b>	-	-	<b>2,510,773</b>	<b>2,510,773</b>
<b>As at 30<sup>th</sup> June (2023-2025)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**iii) Market risk**

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

**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 recognized 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
<b>2024-2025</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2023-2024</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable 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	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Revaluation Reserve	77,944,020	77,944,020
Retained Earnings	15,554,390	-
Capital Reserve	-	-
<b>Total Funds</b>	<b>93,498,410</b>	<b>77,944,020</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	81,511,425	41,866,409
Net Debt/(Excess Cash And Cash Equivalentents)	11,986,985	36,077,611
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

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**32. Related Party Disclosures**

	<b>2024-2025</b>	<b>Opening Statement 1<sup>st</sup> July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	3,845,500	
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	147,000,000	
<b>Total</b>	<b>150,845,500.00</b>	

**33. Segment Information**

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

**34. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

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

*(Give details)*

**Contingent Liabilities**

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

**35. Capital Commitments**

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

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

**36. Events after the Reporting Period**

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

**37. Ultimate And Holding Entity**

The KILOME 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.

17. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	3,000,000	-	-	3,000,000
Buildings and structures	10,487,253	-	-	10,487,253
Transport equipment	8,848,959	-	-	8,848,959
Office equipment, furniture, and fittings	1,612,610	-	-	1,612,610
ICT Equipment and Other ICT Assets	694,140	-	-	694,140
Other Machinery and Equipment	1,108,500	-	-	1,108,500
Intangible assets	-	-	-	-
<b>Total</b>	<b>25,751,462</b>	<b>-</b>	<b>-</b>	<b>25,751,462</b>

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

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 1 <sup>st</sup> July, 2024
Kamaku Primary School	KCB	1335052356	123,126	0
Kwakaseke Pr. School	KCB	1330008642	134,861.64	2,742,965.15
Malili Township Pr. School	KCB	1329862333	58,169.14	2,741,405.14
Muua Primary School	KCB	1330073770	3,998,975	0
ST. Patricks Kawese Pr. School	KCB	1327796139	136,129.65	2,742,965.15
Uvunye Primary School	KCB	1329987446	142,041.64	2,743,140.15
Ndemiu Primary School	KCB	1128962276	223,023.15	223,149.15
Kea Primary School	KCB	1327797496	656.64	2,742,965.14
Kiongwani Primary	KCB	1206627948	45,585.50	45,585.50
Uiini Primary School	KCB	1320687075	713	3,748,745
AIC Sultan Primary	KCB	1112576088	-	83,374.45
Kwale Primary School	KCB	112731393	29,892.25	29,892.25
Kalimbini Primary	KCB	1329956494	15,910.15	2,742,965.15
ST. Peters Kwandeke Primary	KCB	1329912144	116,244.65	2,742,965.15
Nzeveni Primary	KCB	1335007970	800.00	-
Kasikeu Boys Sec School	KCB	1336529172	2,821,637	-
Muani Sec School	KCB	1329711114	223,068	4,999,770
Mukaa Girls Sec. School	Equity	1810286004074	4,000,000	-

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 1 <sup>st</sup> July,2024
AIC Matiani Sec School	KCB	1327729083	6,364	5,001,185
ABC Muua Secondary	KCB	1176954016	1,354	32,109
ACK St Stephen Kima	KCB	1130554333	-	15,683.25
Uthini Girls Secondary	KCB	1329588657	2,894	4,999,770
AIC Sultan Hamud Sec	KCB	1112576088	4,600,000	-
DCC Residence Pmc	KCB	1290980438	3,283,780	333,516
Sultan Hamud Chief's Office	KCB	1339890992	500,000	-
Sultan Hamud Police Station	KCB	1337355909	949,748	-
Ngaamba Chiefs Office	KCB	1338068229	23,181.50	-
Mbyani Chiefs Office	KCB	1339685078	500,000	-
Kivovoani Sand Dam	KCB	1332847609	903.85	-
Kwa-Mavyuva Sand Dam	KCB	1332847579	821.60	-
Kikuyuni Sand Dam	KCB	1339133423	19,001	-
Mikusyo Water Project	KCB	1183123671	-	45,586
Enzai water project	KCB	1136717595	-	19,554
Kitheini borehole	KCB	1173012958	-	2,243
Mangima water project	KCB	1110866682	-	3,697
Kasikeu water project	KCB		-	2,948

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 1 <sup>st</sup> July,2024
Kamuthini water project	KCB	1107172594	-	20,322
Nzaini borehole	KCB	1115761560	-	26,710
Lukika SHG	KCB	1160502048	-	6,724
Ulu no. 3 water project	KCB	1109543115	-	13,430
Masokani Borehole water	KCB	1149829532	-	20,019
Tangu borehole	KCB	1137363363	-	26,142
Mbukuni community dispensary	KCB	1136717595	-	46,126
Nduluni Borehole	KCB	1150365323	-	40,788
Mbukuni Community dispensary	KCB	11367187595	-	42,586
Kavuko water project	KCB	1110866682	-	29,892
Kautandini-Mavivye water project	KCB	1179223969	-	54,541
Kawendo SHG	KCB	1160502048	-	15,683
<b>Total</b>			<b>21,958,881.36</b>	<b>39,129,141</b>

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
No.1.	1. Inaccuracies in the Statements	Corrections done on F.S	Not Resolved	Pending Clearance by DFAC Committee.
	2. Overstatement of Expenditure on Emergency projects	Correction of the same has been done and the expenditures in subject posted on the right votes.	Not Resolved	Pending Clearance by DFAC Committee.
No.2	3. Unsupported cash and cash equivalents	Most of the statutory cheques in subject were VAT withholding that weren't submitted for payment on time; hence falling stale. These payments were however reversed and written again, and presented for payment. Henceforth, the Management shall promptly remit all statutory payments on time to avoid a repeat of the same.	Not Resolved	Pending Clearance by DFAC Committee.
No.3	4. Failure to report Emergency expenditure	All the emergency projects done during the Financial Year in review were reported in the 4 <sup>TH</sup> Quarter through the templates provided for reporting by the Board. The	Not Resolved	Pending Clearance by DFAC Committee.

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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)
		management shall however adhere to the Audit recommendations in regards to prompt reporting.		
No.4	5. Irregularities in bursary Management	Henceforth, the Management shall Form a designated bursary committee with clear terms of reference to oversee the bursary allocation process and ensure full compliance and adherence to the provided guidelines.	Not Resolved	Pending Clearance by DFAC Committee.

*JMK*  
 Name: Josefrida Kameti  
 Fund Account Manager.



