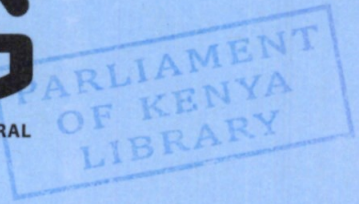
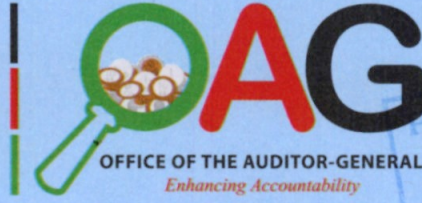


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 12 FEB 2026 Thursday DAY.

OF
TABLED BY: Hon George Mungera
Onbehalf of LOM.
CLERK-AT THE TABLE: Kamala T.

THE AUDITOR-GENERAL

ON

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

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

Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MUHORONI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

Transitional IPSAS Financial Statements

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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;

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

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

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Henry Samson Juma Opilo
2.	National Sub-County Accountant	Kenneth Ooga Menge
3.	Chairman NGCDFC	Benard Austin Ogutu Del
4.	Member NGCDFC	Nancy Kayere Iminza
5.	Member NG CDFC	Nancy Kayere Iminza

(c) Fiduciary Oversight Arrangements

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

Muhoroni NGCDF Building
Awasi Nandi Hill Road
Chemelil, KENYA.

(e) NGCDF Muhoroni Constituency Contacts

P.O. Box 60 – 40116
Telephone: (254) 0721967624
E-mail: cdfmuhoroni@ngcdg.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Muhoroni Constituency Bankers

1. Operation account
Kenya Commercial Bank (KCB)
Muhoroni Branch
P.O. Box 113 – 40107
Muhoroni, Kenya

2. Deposit account
Kenya Commercial Bank (KCB)
Muhoroni Branch
P.O. Box 113 – 40107
Muhoroni, Kenya.

3. Kenya Commercial Bank
Muhoroni Branch
P.O. Box 113 – 40107
Muhoroni, Kenya

Kenya Commercial Bank (KCB)
Kisumu Branch
P.O. Box 113 – 40107
Kisumu, Kenya.

National Bank of Kenya
Kisumu Branch
P.O. Box
Kisumu, Kenya

(g) Independent Auditor




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




(h) Principal Legal Adviser

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




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

Name	Details
 <p>Benard Austine Ogutu Del- Chairperson</p>	<p>Name: Benard Austine Ogutu Del Date of Birth: 12/12/1956 Academic and Professional qualification: Diploma in teaching Work experience: retired teacher Currently chairperson of Muhoroni NGCDF NGCDF Committee representing male adult</p>
 <p>Nancy Kayere Iminza Secretary</p>	<p>Name: Nancy Iminza Kayere Date of Birth: 07/06/1972 Academic and Professional qualification: KCPE certificate Holder Work experience: Farmer NGCDF Committee representing female adult</p>
 <p>Wilfrida Adhiambo Olaly Member</p>	<p>Name: Wilfrida Adhiambo Olaly Date of Birth: 05/07/1962 Academic and Professional qualification: Certificate in secretarial Work experience: worked with God Abuoro Farmer Coperative Society. Currently a farmer NGCDF Committee representing Nominee of Constituency Office</p>

 <p>John Otieno Onunga Member</p>	<p>Name: John Otieno Onunga Date of Birth: 26/10/1979 Academic and Professional qualification: Diploma in Teaching Work experience: Currently a farmer NGCDF Committee Board nominee</p>
 <p>Hamida Ismael Member</p>	<p>Name: Hamida Ismael Date of Birth: 07/04/1979 Academic and Professional qualification: KCSE Certificate Holder Work experience: Business person NGCDF committee Representative of persons living with Disability</p>
 <p>Emily Akinyi Ochuka Member</p>	<p>Name: Emily Akinyi Ochuka Date of Birth: 09/12/1995 Academic and Professional qualification: KCSE Certificate Holder Work experience: ECDE Assistant NGCDF Committee representing female youth</p>

*National Government Constituencies Development Fund (NGCDF)
Muhoroni Constituency
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	<p>Name: David Kipsang Rotich Date of Birth: 28/12/1969 Academic and Professional qualification: KCSE Certificate Holder Work experience: Farmer NGCDF Committee representing Nominee of Constituency Office</p>
	<p>Name: Nelson Juma Nudi Date of Birth: 09/04/1993 Academic and Professional qualification: Holder of Certificate in electronic installation Work experience: 8 years in electronic installation NGCDF Committee representing male youth</p>
	<p>Henry S.J. Opilo Date of Birth: 17/11/1973 Academic and Professional qualification: Bachelor of Arts Economics Work Experience: Has worked with Bungoma Teachers SACCO and Family bank and currently the Fund Account Manager for Muhoroni and acting in Gem Constituency</p>
<p>Henry Samson Juma Opilo-FAM</p>	

John Owidi Owidi – served from November 2022 – January 2024

4. NG-CDFC Chairman's Report



Summary of budget performance

Once again, I present our constituency Annual Report and Financial Statements for the year ended 30th June 2025. The final budget for the financial year 2024/2025 was Kshs. 309, 797, 585, this included the allocation of Kshs. 179,441,954 for financial year 2024/2025, Kshs. 61,843, 243 for previous year allocation, Kshs. 30,543,778.49 for cashbook opening balance and Kshs. 37,968,607.85 PMCs opening balances.

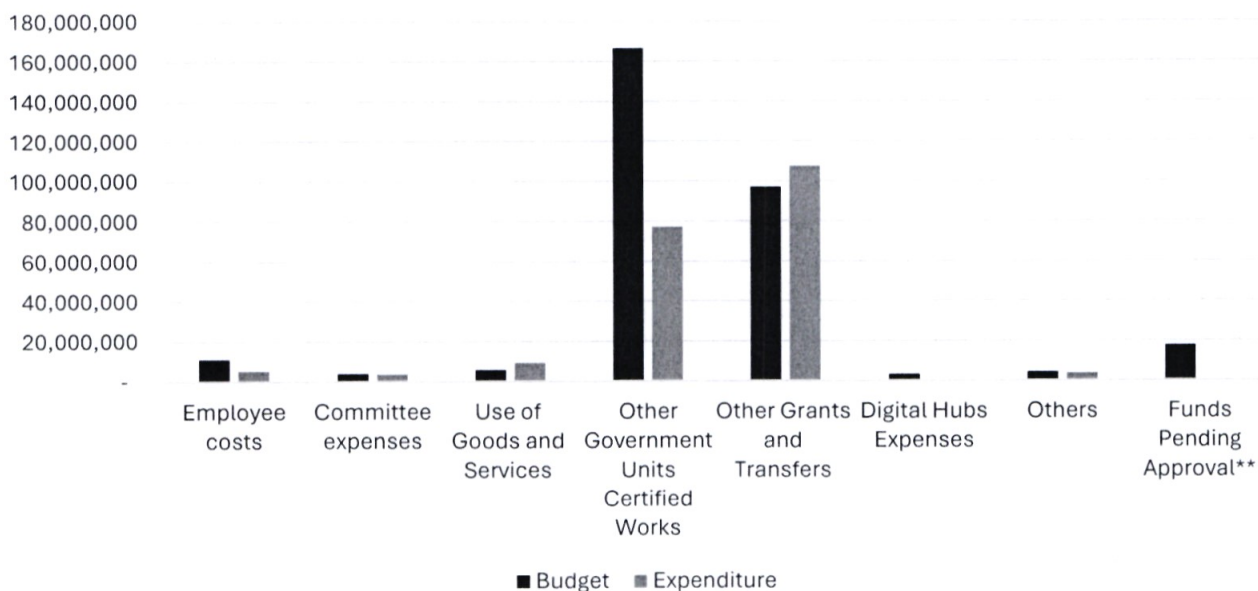
During the financial year Kshs. 258,355,629 was available for utilization, this includes opening cashbook balance Kshs. 30,543,778.49 and PMCs accounts opening balances Kshs. 37,968,607.85, receipt from the board Kshs 128,000,000 for the financial year 2024/2025 and the balance Kshs. 61,843, 243 for the financial year 2023/2024.

By the closure of the financial year 2024/2025 a balance of Kshs. 51,441,955 of the allocated funds had not been received and had balances at the constituency as follows; cashbook (operation account) balance of Kshs. Kshs. 35,512,476, Deposit account Kshs. 3,256,860 and PMCs account balances Kshs. 13,337,975.

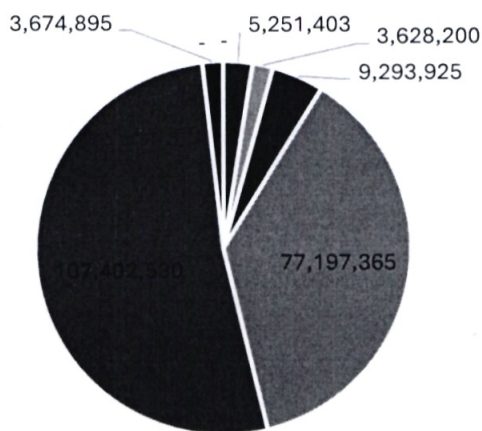
This is elaborated in the appropriation summary (see graph on appropriation of the budget utilization). The absorption rate for the financial year went from 69% to 67% as indicated by the appropriation analysis summary. This is decrease of 2% from last year absorption rate.

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Budget vs Expenditure



Expenditure Analysis



- Employee costs
- Committee expenses
- Use of Goods and Services
- Other Government Units Certified Works
- Other Grants and Transfers
- Digital Hubs Expenses
- Others
- Funds Pending Approval**

Key Achievements

Our commitment to achieve our dream of being the model constituency in Kenya by bringing all the essential services to the people had been our main motivation for the continued good performance under the difficult and challenging operating environment.

Some of the key achievement during this financial year included implementation and construction of projects, the actual amount that has been paid to the projects are Kshs. 46,142,378.00 to primary Schools projects and Kshs. 31,054,987.00 to secondary schools projects.

We were also able to disburse Kshs. 62,543,450.00 and Kshs. 33,716,500.00 of bursary funds to secondary schools and tertiary institutions respectively within the country benefiting close to 10,000 students within the constituency, this indicate how education wise the NG-CDF funds is impacting on the lives of Kenyans with specific reference to Muhoroni constituents. The number of bursary beneficiaries keep on increasing as the years goes by. The constituency has also been able to handle emergency cases that emerged during the financial year.

As constituency was also engaged the community in the matters of climate change and mitigation and Kshs. 1,497,840.00 was disbursed to various institution towards planting of trees. The constituency participated on the matter of securing and a total amount of Kshs. 3,264,736.00 was utilized in construction of chiefs' office and other related security matters for better services.



Emerging issues.

During this financial year the emerging issues were as follows;

- i. The allocation for the bursary visa vie the demand.
- ii. The access road conditions within the constituency.
- iii. Political matters

Implementation challenges

- i. Poor roads within the constituency
- ii. Limited funds to implement projects as per the needs of the constituents.
- iii. Lack of technical staff from the board to provide advices on technical works like buildings and procurement.
- iv. The type of the soil that is cover most part of the constituency.

Way forward

- i. The board should increase the allocation to the constituency to facilitate the increasing the demands of the constituents specific to Muhoroni constituency especially on the bursary and projects allocation.
- ii. The board should provide an independent technical officer to help in supervision and guidance of NG-CDF projects.

Muhoroni NG-CDF through the area MP has collaborated with the county government and Kenya Urban Roads Authority to open up the drainages to mitigate the flood in the area.


.....

Name *BERNARD OJOTO DKH*
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY2024/2025

Introduction

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

The key development objectives of the *NGCDF Muhoroni Constituency 2023-2028* plan are to:

1. Increase access and retention of learners in various learning institutions.
2. To reduce insecurity in Muhoroni Constituency by 95% by 2028.
3. Increase tree cover from 5% to 20% and conservation of water.
4. To handle any emergency cases that occurs within the constituency

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. Increase access and retention of learners in various learning institutions.	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 2024/2025 -we increased number of classrooms within the schools in the constituency by constructing 17 new classrooms in primary schools and renovating 2 primary schools three buses were also purchased for secondary school. Bursary disbursed amounted to Kshs. 96,259,950.00 to beneficiaries at all levels of education. Approximately 6,000 secondary student and

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				4500 tertiary students benefitted
Security	To reduce insecurity in Muhoroni Constituency by 90% by 2028.	Improved security and peace within the Sub-County and at the boundary.	Number of usable physical infrastructure build in police stations and administrative offices within Muhoroni sub county.	In the financial year 2024/2025 increased the number of physical offices under security sector. Two two roomed was constructed within the constituency. The following were the beneficiaries God Nyithindo Chiefs Camp and Muhoroni Police Post
Climate change mitigation activities	Increase tree cover and conservation of water.	Improved local human environment through conservation of water and mother nature.	Planting trees	In the financial year 2024/2025 the constituency allocated Kshs. 3,000,000.00 towards climate change mitigation. The transfer had been made to PMCs
Emergency	To handle any emergency cases that occurs within the constituency	To facilitate safety of the constituents	Renovation and repairs of classrooms and roads for accessibility	In the financial year 2024/2025 we renovated classrooms and repaired roads that were affected by rains.

6. Governance Statement

Background

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency.

Further, Section 5 (1) of the regulation states that the members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

The officer of the board coordinated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- I. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- II. Officer of the Board seconded to the constituency who is be the secretary of the selection panel

Further the NG CDF regulations requires that for 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.

a. NG-CDFC process of appointment

The NGCDF Act 2016 on appointment of NGCDFC members' states;

1. The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established

under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 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

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in public offices notice boards and other public areas in the constituency. The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed from Muhoroni Constituency Office as per section 43 of the NGCDF Act, 2015.

Five best NG-CDF applicants were selected taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act

S/N	Name	Category representation	Ward
1.	Benard Austin Ogutu Del	Male (Adult)	Chemelil/Tamu
2.	David Kipsang Rotich	Male (Adult)	Muhoroni/Koru
3.	Nancy Iminza Kayere	Female (Adult)	Ombeyi
4.	Emily Akinyi Ochuka	Female (Youth)	Miwani
5.	Wilfrida Adhiambo Olaly	Female (Adult)	Muhoroni/Koru
6.	Nashon Juma Nudi	Male (Youth)	Ombeyi

Nominee of the person representing persons with disability

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	Ahmed Hamida Ismael	National Council of People Living With Disability	Deformed Limbs	Miwani

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

S/N	Name	Gender	Ward
1.	John Otieno Onunga	Male	Masogo/Nyangoma

Members are not yet gazetted

b. NG-CDFC Tenure

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the NG-CDF Act 2015. The current members were gazette in 29th November 2022 and we are still waiting for gazette of new members

c. The Role of the Constituency Committee

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

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

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

d. Removal of a member

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

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical 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 Teso South the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Handing Over

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was carried out smoothly and successfully on 6th June, 2025.

e. NG-CDFC Induction and training

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

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

f. Number of meetings

Schedule of meetings held during the FY 2024/2025

	Name of committee member	Meetings held									
		3/7/ 24	11/8 /24	11/9 /24	5/10 /24	13/1 1/24	19/1 /25	8/3/ 25	27/3/ 25	30/5/ 25	7/6/ 25
1	Benard Ogutu Del-Chairperson	√	√	√	√	√	√	√	√	√	√
2	Henry S.J. Opilo-FAM	√	√	√	√	√	√	√	√	√	√
3	Nancy Iminza-Secretary	√	√	√	√	√	√	√	√	√	√
4	Wilfrida Olaly-Member	√	√	√	√	√	√	√	√	√	√
5	David Rotich-Member	√	√	√	√	√	√	√	√	√	√
6	Emily Ochuka-Member	√	√	√	√	√	√	√	√	√	√
7	Hamida Ismael-Member	√	√	√	√	√	√	√	√	√	√
8	Nelson Juma Nudi-Member	x	x	x	x	x	x	√	√	√	√
9	John Onunga-Member	√	√	√	√	√	√	√	√	√	√
10	Staphen Emonjong-DCC	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance Kshs. 7,000 per meeting and all other members an allowance of Kshs.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.

h. Disclose the policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact

thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NGCDFC Teso South contravened conflict of interest policy.

i. Succession plan

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

j. Ethics and code of conduct

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

k. 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. Embracing the Enterprise Risk Management system and attesting to monthly, quarterly bi-annually and annually compliance and key risk indicators questions, implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification

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7. Management Discussion and Analysis

Muhoroni NG-CDF management would like to provide a detailed analysis of its performance in the various areas of operation and financial as follows;

a) Sector Performance

Muhoroni NG-CDF has been operational since 2013 but would provide financial analysis for the past five years on how much the entity has received and spend in the various critical sectors being Education and Security.

Financial Year	Allocation	Amount Disbursed	Percentage
2020-2021	137,088,879	137,088,879	100%
2021-2022	137,088,879	137,088,879	100%
2022-2023	145,087,603	145,087,603	100%
2023-2024	191,843,243	191,843,243	100%
2024-2025	179,441,954	128,000,000	71%
Total	790,550,558	739,108,604	

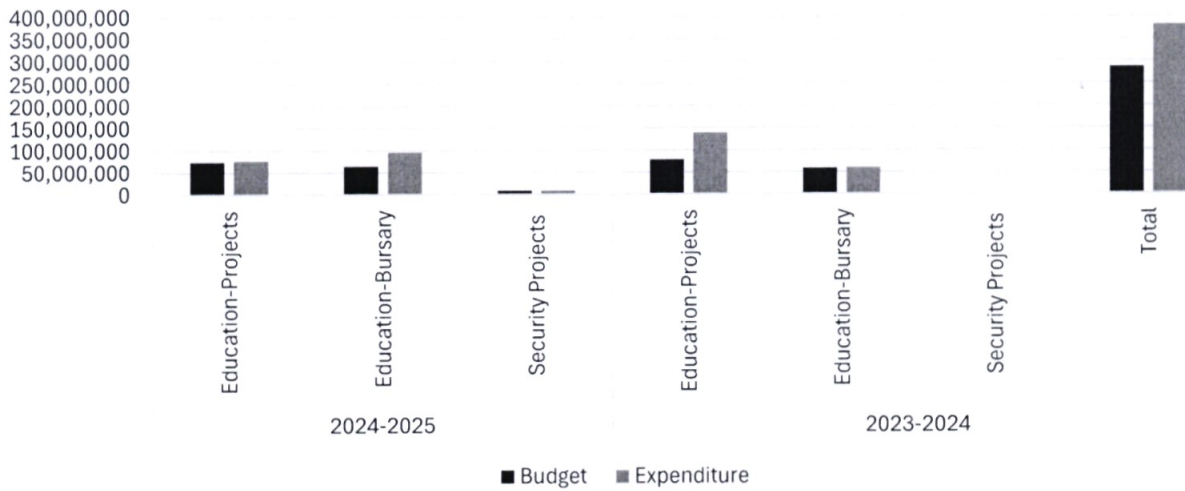
From the above data, Muhoroni NG-CDF has been able to receive a total of Kshs. **739,108,604** as at 30.06.2025 for the last five financial years. The resources have been utilized to improve the various sectors in terms of infrastructure and provision of bursaries to needy students in secondary and tertiary institutions.

The below table further illustrates the expenditure performance of Muhoroni NG-CDF in the past two years;

Financial Year	Sector	Budget	Expenditure
2024-2025	Education-Projects	74,200,000	77,197,365
	Education-Bursary	63,997,865	96,259,950
	Security Projects	8,200,000	8,759,636
2023-2024	Education-Projects	78,479,060	138,978,441
	Education-Bursary	58,674,618	59,742,961
	Security Projects	2,200,000	0
	Total	285,751,543	380,938,353

Sector	Sector Budget	Percentage
Education	275,351,543	96.36%
Security	10,400,000	3.64%
	285,751,543	100%

BUDGET VS EXPENDITURE BY SECTOR



The above table shows in some instance where expenditure is more than the budget, this is because some of the projects were implemented in the subsequent year where they were not budgeted. This could have been caused by delay in funds or procurement process.

Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of 96.36% of the entire allocation and secondly the security sector with average of 3.64%. This is an indicator that the Fund has put more efforts in improving the academic standards of Muhoroni constituency through both the infrastructure and bursaries to needy students studying in various institutions.

Further from the above analysis, it is important to note that the Fund has been able to serve the rural communities and be able to improve on the living standards of the people, poverty eradication being one of its key objectives. The management advocates for more resource allocation to further improve on its mandate.

b) Key Projects

Muhoroni NG-CDF has been able to undertake key projects that will go into improving the infrastructure standards, reduce insecurities and also providing job opportunities to the residents of Muhoroni. For instance, the purchase of land and construction of the proposed Rapid Deployment unit in Songhor was implemented in the year 2020 has since reduced the boarder clashes and cattle rustlers.

The completion of Miwani ACC residential house has improved the community social lives since the residence are able to access the officer at any time he is needed for conflicts resolutions.

The Fund has also been able to construct additional classrooms in the various primary and secondary schools. key among them are the complete storey buildings at Koru Girls

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Secondary school, Ayiech Nyatao Secondary School, Obumba Secondary School and Orege Secondary School. This has enabled residence in the area access learning institution with ease and has created also job opportunities.

Muhoroni NGCDF has also been knee on bursary and has fully sponsored over 1000 students in National school and those doing courses like engineering, law and medicine. This has improved the social standard of constituents and student retention in school during school days

A part from the key projects indicated above, Muhoroni NG-CDF has equally provided infrastructure to various institutions across the constituency including the recent matching fund arrangement with the Ministry of Education to construct Junior Secondary School laboratory.

Electricity is also a critical need to the residents of Muhoroni Constituency and Muhoroni NG-CDF has been able to assist through Area Member of Parliament with Rural Electrification and Renewable Energy Corporation (REREC). Through this program, over 4000 residents have been able to benefit through transformer maximization.



On going construction of Orege Secondary School



c) Compliance with statutory requirements.

Muhoroni NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, PFM Act 2012, PPADA 2015 and many other relevant laws and has been in full compliance of the same.

For instance, schedule four of the constitution 2010 has outlined the roles of National Government and County Government and in no instance has Muhoroni NGCDF been cited for non-compliance.

Muhoroni NG-CDF has been able to equally meet its obligations for instance payment of taxes like VAT withholding tax from contactors, Pay As You Earn Tax and Withholding Tax as required and further commits to operate within the law even to the future.

d) Review of the Economy, Sector and Future Developments

The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 2019 that reduce the business growth and hence revenue collection. NG-CDF as

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a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines and even the budget process. In the last three years there has been improvement in the revenue growth which has led to increased budgetary allocation of the Fund even at the constituency level. This has been elaborated in the above table.

With the intention to entrench the Fund in the Kenyan Constitution, there is a good chance that in the future the Fund will grow and be able to spur more economic growth at the constituency level. Muhoroni NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.

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Name **HENRY C. J. OPIYO**
Fund Account Manager

FUND ACCOUNT MANAGER
MUHORONI NGCDF
P.O. BOX 60-40116,
ELIL

8. Environmental and Sustainability Reporting

Muhoroni NG-CDF exists to serve its constituents and transform lives, this is our driving force behind everything we do, which is founded on social sector, namely, Education & Training, Security Sector Support and climate change and mitigation. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

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

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

2. Environmental performance

Muhoroni NGCDF allocated funds to twelve schools for planting of 500 trees to conserve the environment.

Muhoroni NGCDF carried out a training programme to expound on the effects of drugs it also allocated funds for security purposes like construction of police post.

3. Employee welfare

We invest in providing the best working environment for our employees. Muhoroni 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 are 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. Muhoroni 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-

Muhoroni Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Muhoroni 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

Muhoroni 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 NGCDF 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.

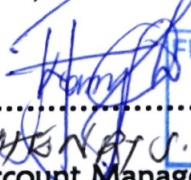
The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

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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.

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


FUND ACCOUNT MANAGER
MUHORONI NGCDF
P.O. BOX 60-40115,
MUSOMBA

.....
Name **HENRY A. OPIYO**
Fund Account Manager.

9. Statement Of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Muhoroni 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-Muhoroni 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- Muhoroni 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.

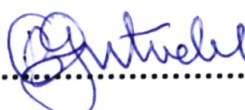
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The Accounting Officer in charge of the NGCDF Muhoroni Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds 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

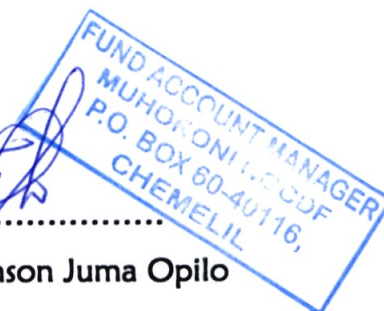
The NGCDF- Muhoroni Constituency financial statements were approved and signed by the Accounting Officer on 3/12/ 2025.



.....
Name: Benard Austine Ogutu Del
Chairman – NGCDF Committee



.....
Name: Henry Samson Juma Opilo
Fund Account Manager



REPUBLIC OF KENYA

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Muhoroni Constituency set out on pages 1 to 65, which comprise of the statement of financial Position as at 30 June, 2025 and the statement of financial Performance, statement of cash flows and Statement of comparison of budget and actual for the year then ended, and a

summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Muhoroni constituency at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Project Management Committee Bank Account Balance

Note 19 to the financial statements reflects a balance of Kshs.51,917,411 in respect of cash and cash equivalents which includes an amount of Kshs.13,348,075 in respect of Project Management Committee (PMC) bank balances as analyzed in annex 2 to the financial statements. However, these PMC balances were not supported with bank reconciliation statements, certificates of bank balances and board of survey reports.

In the circumstances, the accuracy and completeness of the Project Management Committee bank balances of Kshs.13,348,075 could not be confirmed.

2. Unsupported Compensation of Employees Cost

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects an amount of Kshs.6,696,623 in respect of compensation of employees comprising basic salaries, allowances and employer contributions for the staff of the Constituency. However, Management has not provided an approved salary structure by the board to support this expenditure.

In the circumstances, the accuracy and completeness of the compensation of employees amounting to Kshs.6,696,623 could not be confirmed.

3. Unsupported Expenditure on Other Grants and Transfers

The statement of financial performance and as disclosed in Note 14 to the financial statements reflect an amount Kshs.109,467,436 in respect of other grants and transfers which includes an amount of Kshs.5,248,573 paid to a firm for organizing a school retreat. However, the payment was not supported with the relevant expenditure returns such as the programme of the event, attendance lists and agenda of the retreat.

In the circumstance the accuracy and completeness of the other grants and transfers amounting to Kshs.109,467,436 could not be confirmed.

4. Unsupported Committee Expenses

The statement of financial performance reflects an amount of Kshs.3,628,200 in respect of committee expenses. However, review of the supporting ledger revealed that the total amount of Kshs.3,628,200 was paid in the name of the Fund Manager. Further, an amount of Kshs.1,996,200 was not supported with signed schedules and attendance list to support the payments to individual members of the NG-CDF Committee Members.

In the circumstances, the accuracy, completeness and occurrence of the committee expenses amounting to Kshs.3,628,200 could not be confirmed.

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

Emphasis of Matter

Budgetary control and performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.309,808,375 and Kshs.258,365,729 respectively resulting to an under-funding of Kshs.51,442,646 or 17% of the budget. Similarly, the Fund expended Kshs.206,448,318 against an approved expenditure budget of Kshs.309,807,684 resulting to an under-expenditure of Kshs.103,359,366 or 33% of the approved expenditure budget.

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

My opinion is not qualified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several matters were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Control, Risk management and Governance respectively. Review of the status during the audit of Fund in 2024/2025 revealed the following nine (9) matters remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Project Management Committee Bank Account Balance
2	2023/2024	Unsupported Bursaries to Tertiary Institution
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Unsupported Expenditure on Compensation of Employees
5	2023/2024	Unsupported use of Goods and Services
6	2023/2024	Lack of Internal audit Review
7	2023/2024	Late Remittance of Statutory Deductions
8	2023/2024	Non Taxation of Committee Allowances
9	2023/2024	Delay in Implementation of Projects

Other Information

The Management is responsible for the Other Information set out on page iii to xxxiv which comprise of Key Constituency Information and Management, NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Review

Review of the Fund's operations indicated that no internal audit reviews was performed on the Fund's internal processes and no risk assessment was carried out to identify and address key areas of concern and document specific controls in

response to identified risks, contrary to Regulation 160(1)(a) and (b) of the Public Financial Management (National Government) Regulations, 2015 which states that Internal auditors shall review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in national government entities. The function has a duty to give reasonable assurance through the audit committee on the state of risk management, control and governance within the organization.

In the absence of constant reviews by the internal audit unit, the effectiveness of internal control and risk management in relation to the Fund could not be confirmed.

2. Incomplete Fixed Assets Register

Review of the summary of fixed asset register under Annex 1 of the financial statements revealed that it was incomplete since it lacked information such as tag/serial number, make/model, suppliers name, original location, current location and the officer responsible for each asset. In addition, the physical verification of the assets during the year under review revealed that they were not tagged, and therefore the ownership could not be confirmed.

This is contrary to Section 136(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the accuracy and completeness of the reported fixed assets valued at Kshs.44,457,443 could not be confirmed.

3. Late Remittance of Statutory Deductions

Review of payroll records revealed that Management made late remittance of Pay as you earn (P.A.Y.E) amounting to Kshs.94,161 for the month of May, 2025 which was remitted on 12 June, 2025 instead of statutory deadline of 9th of every month contrary to Section 37(1) of the Income Tax Act which states that an employer is required to deduct PAYE from employees' salaries and wages at the prevailing rates and remit the same to KRA on or before the 9th of the following month.

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

4. Delay in Implementation of Projects

The statement of financial Performance and as disclosed in Note 13 to the financial statements reflects an amount of Kshs.77,197,365 in respect of other government units' actual expenditure which includes various projects implemented by the project implementation committee. However, physical site visits and inspection revealed that projects amounting to Kshs.46,142,378 had not been implemented.

In the circumstances, the delayed completion of the project denied the public the benefits derived from the completed project.

5. Non-Compliance with Procurement Act and Regulations

During the year under review, the Fund Management did not prepare and submit an annual procurement plan and quarterly reports on the implementation of the

procurement plan contrary to Regulation 40(6) of the Public Procurement and Asset Disposal Regulations 2020 which states that an accounting officer of a procuring entity shall prepare a quarterly report on the implementation of the annual procurement plan and submit it to the Cabinet Secretary or county executive committee member for finance or responsible for the procuring entity or the governing body, as the case may be. Further, the fund had no disposal plan.

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

6. Incomplete Construction Work

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects an amount of Kshs.77,197,365 in respect of transfers to other government units comprising of transfers to primary and secondary schools amounting to Kshs.46,142,378 and Kshs.31,054,987 respectively. Review of expenditure records revealed that Kshs.15,000,000 was transferred to three (3) primary schools for the construction of laboratories. A physical site visit and verification of the projects carried on 12 November, 2025 at Nyakoko and Mikiria Primary School laboratories revealed the following;

- a) That despite the laboratories being completed and in use, we noted that there was no ceiling installed as per the Bill of Quantities.
- b) The BQ presented for review indicated that the iron sheets that was to be used was gauge 28 instead the contractors used gauge 30 with no explanation given for the same.
- c) The walls in the three classrooms at Nyakoko Primary School already had cracks less than a year after construction.
- d) Retention money was not deducted as per the act instead the contractor was paid all the money.
- e) No inspection reports by a qualified clerk of works were provided indicating that the buildings were inspected before payment was made.
- f) The files also did not have contract agreements indicating the duration in which the projects were to start and end.

This is contrary to Section 26(2) of the National Government Constituency's Development Fund Regulations, 2016 require a constituency committee to carry out monitoring and evaluation of projects at regular intervals and submit reports on the monitoring and evaluation exercise in accordance with the guidelines issued under paragraph(1) and Section 142 of the National Government Constituencies Development Fund Regulations, 2016 which states that a contractor should be responsible for the repairs resulting from defects of poor workmanship and make the corrections.

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

7. Lack of Risk Management Policy and Disaster Recovery Plan

Review of documents revealed that the Fund does not have a Risk Management Policy and Disaster Recovery Plan contrary to Regulation 165 (a) and (b) of the Public Finance Regulation (National Government), 2015 which states that the Accounting Officer shall ensure that the national government entity develops risk management

strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Those Charge 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

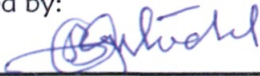
05 December, 2025

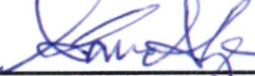
*National Government Constituencies Development Fund (NGCDF)
Muhoroni Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

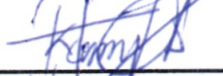
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,441,954
Expenses		
Employee costs	10	6,696,623
Committee expenses	11	3,628,200
Use of Goods and Services	12	10,293,925
Other Government Units Actual expenditure	13	77,197,365
Other Grants and Transfers Actual expenditure	14	109,467,430
Depreciation and amortization expense	15	182,999
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		207,466,542
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(28,024,587)

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


 Chairman NG-CDF
 Committee
 Name: Benard A.O Del


 National Sub-County
 Accountant
 Name: Kenneth O. Menge
 ICPAK M/No: 24748


 Fund Account Manager
 Name: Henry S.J. Opilo

FUND ACCOUNT MANAGER
 MUHORONI NGCDF
 P.O. BOX 60-40116,
 CHEMELIL

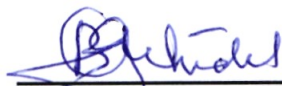
National Government Constituencies Development Fund (NGCDF)
Muhoroni Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

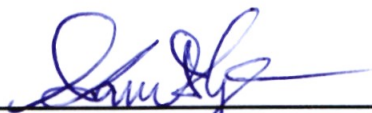
	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	51,917,411	68,522,486
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	51,441,955	61,843,243
Prepayments	22	-	-
Total Current Assets		103,349,266	130,365,730
Non-Current Assets			
Property, Plant and Equipment	23	426,997	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		426,997	-
Total Assets (A)		103,786,362	130,365,730
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity Provision	29	3,382,720	1,937,500
Total Current Liabilities		3,382,720	1,937,500
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		3,382,720	1,937,500
Net Assets (A-B)		100,403,642	128,428,230
Represented by:			
Revaluation Reserves		100,403,642	128,428,230
Accumulated Surplus		-	-
Total Net Assets		100,403,642	128,428,230

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

The Constituency financial statements set out on pages 1 to 68 approved by NG CDFC on 3/12/
2025 and signed by:



**Chairman NG-CDF
Committee**
Name: Benard A.O Del



**National Sub-County
Accountant**
Name: Kenneth O. Menge
ICPAK M/No: 24748



Fund Account Manager
Name: Henry S.J. Opilo

FUND ACCOUNT MANAGER
MUHORONI NGCDF
P.O. BOX 60-40116,
CHEMELIL

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024	30,544,469	-	30,544,469
Adjustments			
Recognition of Assets	99,821,261	-	99,821,261
Recognition of Liabilities	(1,937,500)	-	(1,937,500)
As at July 1, 2024	128,428,230	-	128,428,230
Surplus/(Deficit) For the Period	(28,024,587)	-	(28,024,587)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (current year)	100,403,642	-	100,403,642

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		189,843,243
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		189,843,243
Payments		
Employee costs		5,251,402
Committee expenses		3,628,200
Use of Goods and Services		10,293,925
Other Government Units Certified Works		77,197,365
Other Grants and Transfers		109,467,430
Digital Hubs Expenses		-
Total Payments		205,838,323
Net Cash Flows from/ (used in) Operating Activities	30	(15,995,080)
Cash flows From Investing Activities		
Purchase of PPE		(609,995)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		(609,995)
Net increase/(decrease) in cash & Cash equivalents		(16,605,075)
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		(16,605,075)
Cash and cash equivalents at 1 July	19	68,622,486
Cash and cash equivalents at 30 June	19	51,917,411

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	68,523,177	61,843,244	309,808,375	258,365,729	51,442,646	83%
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
Totals	179,441,954	68,523,177	61,843,244	309,808,375	258,365,729	51,442,646	83%
Expenses							
Employee costs	6,471,360	4,766,300	-	11,237,660	5,251,403	5,986,257	47%
Committee expenses	3,978,259	1,938	-	3,980,197	3,628,200	351,997	91%
Use of Goods and Services	4,650,157	2,130,972	-	6,781,129	10,293,925	(3,512,796)	152%
Other Government Units Certified Works	61,200,000	50,913,059	54,524,343	166,637,402	77,197,365	89,440,037	46%
Other Grants and Transfers	81,892,179	7,797,372	7,318,900	97,008,451	109,467,430	(12,458,979)	113%
Digital Hubs Expenses	3,200,000	-	-	3,200,000	-	3,200,000	-

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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
	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Others	450,000	2,912,846	-	3,362,846	609,995	2,752,851	18%
Funds Pending Approval**	17,600,00	-	-	17,600,000	-	17,600,000	-
Total Expenditure	179,441,954	68,522,486	61,843,243	309,807,684	206,448,318	103,359,366	67%
Surplus for the period							

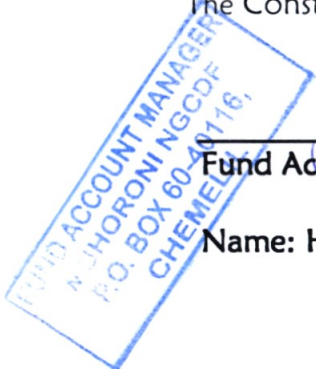
*National Government Constituencies Development Fund (NGCDF)
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Explanatory Notes.

The board transferred 83% of the total allocation for the year. The utilization at as 30th June, 2025 was 67%, this was because some funds were received towards end of the year and could not be utilized as at that time

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	103,359,366
Less undisbursed funds receivable from the Board as at 30 th June 2025	(51,442,646)
Cash and Cash Equivalents at the end of the 30 th June 2025	51,916,720

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 3/12/ 2025 and signed by:




 Fund Account Manager

Name: Henry S.J. Opilo


 National Sub-County Accountant

Name: Kenneth O. Menge
 ICPAK M/No: 24748


 Chairman NG-CDF Committee

Name: Benard A. O. Del

National Government Constituencies Development Fund (NGCDF)
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16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,471,360	4,766,300	-	11,237,660	5,251,403	5,986,257
1.2 Committee allowances	2,128,000	698	-	2,128,698	1,777,357	351,341
1.3 Use of goods and services	2,167,157	2,130,972	-	4,298,129	3,730,320	567,809
Sub-total	10,766,518	6,897,970	-	17,664,487	10,759,080	6,905,407
2.0 Monitoring and evaluation						
2.1 Capacity building	-	-	-	-	-	-
2.2 Committee allowances	1,850,259	584	-	1,850,843	1,850,843	(0)
2.3 Use of goods and services	3,183,000	656	-	3,183,656	6,563,605	(3,379,949)
Sub-total	5,033,259	1,240	-	5,034,499	8,414,448	(3,379,949)
3.0 Emergency						
3.1	9,444,313	246,897	-	9,691,210	2,950,004	6,741,206
Sub-total	9,444,313	246,897	-	9,691,210	2,950,004	6,741,206
4.0 Bursary and Social Security						
4.1 Secondary Schools	41,000,000	-	-	41,000,000	62,543,450	(21,543,450)
4.2 Tertiary Institutions	22,000,000	-	-	22,000,000	33,716,500	(11,716,500)
4.3 Special needs	997,865			997,865		997,865

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.5 Social Security	-	-	-	-	-	-
Sub-total	63,997,865	-	-	63,997,865	96,259,950	(32,262,085)
5.0 Climate Change Mitigation						
Waware Primary School	250,000	-	-	250,000	-	250,000
Obumba Primary School	250,000	-	-	250,000	-	250,000
Orango Primary School	250,000	-	-	250,000	-	250,000
Kandegge Primary School	250,000	-	-	250,000	-	250,000
Nyangore Primary School	250,000	-	-	250,000	-	250,000
Oroba Primary School	250,000	-	-	250,000	-	250,000
Magare Primary School	250,000	-	-	250,000	-	250,000
Muhoroni Primary School	250,000	250,000	-	500,000	250,000	250,000
Chemelil Factory Primary School	250,000	-	-	250,000		250,000
Okwach Primary School	250,000	-	-	250,000		250,000
Mutwala Girls Secondary School	250,000	-	-	250,000		250,000
Nyando Primary School	250,000	-	-	250,000		250,000
Tonde Primary School	-	247,840	-	250,000	247,840	2,160
Obago Primary School	-	250,000	-	250,000	250,000	-
Mashambani Primary School	-	250,000	-	250,000	250,000	-
Lwala Primary School	-	250,000	-	250,000	250,000	-

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Olik Oliero Primary School	-		-	250,475		250,475
Miwani Section 3 Primary School	-	250,000	-	250,000	250,000	-
Sub-total	3,000,000	1,750,475	-	4,750,475	1,497,840	3,252,635
6.0 Primary Schools Projects						
Achuodho Primary School	2,400,000	-	-	2,400,000	-	2,400,000
Wagai Primary School	2,400,000	-	-	2,400,000	-	2,400,000
Bacho Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Ngeny Primary School	3,600,000	1,100,000	-	4,700,000	-	4,700,000
Magare Primary School	10,600,000	-	798,100	11,398,100	798,100	10,600,000
Minyange Primary School	2,400,000	-	-	2,400,000	-	2,400,000
Kibigori Railways Primary Sch	2,400,000	-	-	2,400,000	-	2,400,000
Chemelil B1 Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Cheptuyet Primary School	2,400,000	-	-	2,400,000	-	2,400,000
Mutwala Primary School	1,200,000	-	-	1,200,000	-	1,200,000
Mikiria Primary School	2,000,000	3,600,000	5,000,000	10,600,000	8,597,403	2,002,597
Nyakoko Primary School	2,000,000	3,601,100	5,000,000	10,601,100	7,948,114	2,652,986
Tonde Primary School	2,000,000	3,600,000	5,000,000	10,600,000	7,949,213	2,650,787
Kibigori Primary School	-	2,200,000	-	2,200,000	-	2,200,000
Muhoroni Primary School	-	1,203,583	-	1,203,583	1,200,000	3,583

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Ogwedhi Primary School	-	1,941	-	1,941	-	1,941
Marega Primary School	-	709	-	709	-	709
Achego Primary School	-	698	-	698	-	698
Muhoroni Township Primary	-	679	-	679	-	679
Kibos Prison Primary School	-	1,298	-	1,298	-	1,298
Dr. Robert Primary School	-	1,000,000	-	1,000,000	945,911	54,089
Obago Primary School	-	1,000,000	-	1,000,000	998,496	1,504
Chemelil Factory Primary Sch	-	1,201,275	-	1,201,275	1,199,000	2,275
Osiri Migere Primary School	-	2,400,000	-	2,400,000	2,399,925	75
Mashambani Primary School	-	2,400,000	-	2,400,000	1,921,726	478,274
Nyangoma Primary School	-	2,400,000	-	2,400,000	2,399,651	349
Miwani Section 3 Primary Sch	-	2,400,720	-	2,400,720	2,399,260	1,460
Lwala Primary School	-	3,601,000	1,481,433	5,082,433	2,901,025	2,181,408
Yawo Primary School	-	3,602,000	-	3,602,000	3,601,554	446
Karunga Primary School	-	-	883,000	883,000	883,000	-
Sub-total	35,400,000	35,315,002	18,162,533	88,877,535	46,142,378	42,735,157
7.0 Secondary Schools Projects						
Ombeyi Secondary School	1,200,000	-	-	1,200,000	-	1,200,000
Nyatao Secondary School	10,000,000	-	-	10,000,000	-	10,000,000

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
		Kshs	Kshs	Kshs	Kshs	Kshs
Ngengy Secondary School	10,000,000	-	-	10,000,000	-	10,000,000
Okeno Nam Primary Schppl	1,000,000	-	-	1,000,000	-	1,000,000
St. John Koru Primary School	1,200,000	-	-	1,200,000	-	1,200,000
Kibos Sugar Research Sec. Sch	2,400,000	-	-	2,400,000	-	2,400,000
God Abuoro Secondary School	-	1,100,000	-	1,100,000	-	1,100,000
Our Lady of Peace Secondary	-	3,989,599	6,961,810	10,951,409	10,702,261	249,148
Obumba Secondary School	-	665	-	665	-	665
Oginga Odinga Tamu Sec Sch	-	215	-	215	-	215
St. Andrews Masara Sec. Sch	-	1,004,578	-	1,004,578	950,366	54,212
St. John Olik Oliero Sec. Sch	-	1,000	9,700,000	9,701,000	9,700,575	425
St. Boniface Magare Secondary	-	2,000	9,700,000	9,702,000	9,701,785	215
Sub-total	25,800,000	6,098,057	26,361,810	58,259,867	31,054,987	27,204,880
8.0 Tertiary institutions Projects						
Aora Ndinya TVET	-	9,500,000	10,000,000	19,500,000	-	19,500,000
Sub-total	-	9,500,000	10,000,000	19,500,000	-	19,500,000
9.0 Security Projects						
NGCDF Office	-	-	2,064,900	2,064,900	-	2,064,900
Miwani Chiefs Office	1,000,000	-	-	1,000,000	-	1,000,000
Nyangoma Chiefs Office	1,000,000	-	-	1,000,000	-	1,000,000

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Koru Chiefs Office	1,000,000	1,200,000		2,200,000	-	2,200,000
Muhoroni Chiefs Office	1,000,000			1,000,000	-	1,000,000
Tamu Chiefs Office	1,000,000			1,000,000	-	1,000,000
Muhoroni NGCDF Digital Hub Nyangoma Centre	3,200,000			3,200,000	-	3,200,000
Miwani Police Station		1,200,000		1,200,000	-	1,200,000
Ngere Kagoro Police Post		1,200,000		1,200,000	-	1,200,000
God Nyithindo Chiefs Camp		1,200,000		1,200,000	1,199,836	164
Muhoroni Police Post	-	1,000,000	-	1,000,000	-	1,000,000
Muhoroni National Sub county Treasury			5,254,000	5,254,000	5,494,900	(240,900)
Sub-total	8,200,000	5,800,000	7,318,900	21,318,900	8,759,636	12,559,264
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
10.2 Construction of CDF office	-	-	-	-	-	-
10.3 Purchase of furniture and equipment	-	-	-	-	-	-
10.4 Purchase of computers	-	-	-	-	-	-
10.5 Purchase of land	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
11.0 Digital Hubs						
Sub total	-	-	-	-	-	-
12.0 Others						
NG-CDF Office	450,000	-	-	450,000	609,995	(159,995)
Strategic Plan	-	-	-	-	-	-
NGCDF Innovation Hub	-	2,912,846	-	2,912,846	-	2,912,846
Sub total	450,000	2,912,846	2,064,900	3,362,846	609,995	2,752,851
13.0 Funds pending approval**						
13.1 Unapproved projects	17,350,000	-	-	17,350,000	-	17,350,000
13.2 AIA						
Sub-total	17,350,000	-	-	17,350,000	-	17,350,000
Total	179,441,954	68,522,486	61,843,243	309,807,684	206,448,318	103,359,366

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Muhoroni Constituency principal activity is to implement National Government activities in education and security sector. In education sector Muhoroni Constituency ensure improvement of infrastructures i.e building and renovation of classrooms and giving bursary to needy students. In security sector Muhoroni Constituency major on improvement of infrastructure.

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 Muhoroni 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 Muhoroni 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

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equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

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

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<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></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>Not applicable</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue</p>

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

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 13th June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 2

b) Financial liabilities

Classification

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

g) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for 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 30th , 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)	179,441,954
Total	179,441,954

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

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

10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,918,901
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,445,220
Employer Contributions Compulsory national social security schemes	254,250
Employer Contributions Compulsory Housing levy	69,653
Employer contributions to National Industrial Training Authority	8,600
Other Specify	-
Total	6,696,623

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	1,703,200
Other Committee expenses	1,925,000
Total	3,628,200

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12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	190,615
Communication, supplies and services	295,000
Domestic travel and subsistence	700,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	1,226,000
Hospitality supplies and services	2,123,000
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	2,178,455
Fuel, oil & lubricants	-
Bank charges	33,705
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	285,000
Strategic plan expenses	1,000,000
Other operating expenses	2,262,150
Total	10,293,925

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	46,142,378
Secondary Schools Actual expenditure	31,054,987
Tertiary Institutions Actual expenditure	-
Total	77,197,365

14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	62,543,450
Bursary – tertiary institutions	33,716,500
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	8,759,636
Climate change mitigation projects	1,497,840
Emergency projects Actual expenditure	2,950,004
Roads projects Actual expenditure	-
Others specify	-
Total	109,467,430

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	182,999
Intangible Assets	-
Total	182,999

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Kenya Commercial Bank, Account No.1104058669 (Operations account)</i>	35,312,476	30,543,778
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Kenya Commercial Bank, Account No.1337946796 (Deposit account)</i>	3,256,860	-
<i>List is attached in the annex 2 (PMC accounts)</i>	13,348,075	37,978,708
Total	51,917,411	68,522,486
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

Description	Insert Current FY		Opening Statement 1 st July 20XX	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

21. Receivables from Non-Exchange Transactions

Description	2024/2025	Opening Statement 1 st July 2024		
	Kshs	Kshs		
Transfers from NGCDFB	51,441,955	61,843,243		
Outstanding imprest	-	-		
Total	51,441,955	61,843,243		
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	51,441,955	100%	61,843,243	100%
Between 1-2 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	51,441,955	100%	61,843,243	100%

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22. Prepayments

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

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	609,995	-	-	609,995
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	609,995	-	-	609,995
Depreciation And Impairment	-	-	-	-				
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	182,999	-	-	182,999
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	182,999	-	-	182,999
Net Book Values	-	-	-	-				
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	426,997	-	-	426,997

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Valuation

Land and buildings/ Equipment have not been valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020)

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	609,955	182,999	426,997
Office Equipment, Furniture, And Fittings	-	-	-
Total	609,955	182,999	426,997

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

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

24. Intangible Assets

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

25. Right-of use assets

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

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26. Trade and Other Payables

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

27. Third-Party deposits

	<i>2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	450,000	-
Retention paid during the Year (C)	450,000	-
Closing Retention as at 30th June D= A+B-C	-	-

Retentions aging analysis.

	2024/2025	% of the total	Opening 1st July 2024	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

28. Lease Liabilities

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

Maturity Analysis

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

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Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Gratuity at the beginning of the year 1 st of July	1,937,500	-
Gratuity held during the year	1,445,220	1,937,500
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	3,382,720	-

30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	(28,024,587)
Adjusted for:	
Depreciation	182,999
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	(10,401,289)
Increase/decrease in payables	(1,445,220)
Net cash flow from operating activities	(15,995,080)

(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:

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June,2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	51,442,646	51,442,646	-	-
Bank balances	51,916,720	51,916,720	-	-
Total	103,359,366	103,359,366	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	61,843,244	61,843,244	-	-
Bank balances	30,544,469	30,544,469	-	-
Total	92,387,712	92,387,712	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from 2024. The board of directors sets the Entity’s credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Trade payables	-	-	-	-
Current poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,937,500	1,937,500
Total	-	-	1,937,500	1,937,500
As at 30th June (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,445,220	1,445,220
Total	-	-	1,445,220	1,445,220

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

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Entity’s income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity’s Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity’s exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

2024/2025

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

Foreign currency sensitivity analysis

2024/2025

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

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
Current FY			
Euro	N/A	-	-
USD	N/A	-	-
Previous FY			
Euro	N/A	-	-
USD	N/A	-	-

b) Interest rate risk

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

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

Management of interest rate risk

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

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- 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

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market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

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

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

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

iv) Capital Risk Management

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

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,703,200	1,697,200
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	189,843,243	200,176,482
Total	191,546,443	201,873,682

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

Contingent Liabilities

Description	2024/2025	<i>Opening Statement 1st July 20xx</i>
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

Capital Commitments	2024/2025	<i>Opening Statement 1st July 20xx</i>
	Kshs	Kshs
Authorized for	-	-
Authorized and contracted for	-	-
Total	-	-

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

38. Currency

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

18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	17,000,000	-	-	17,000,000
Transport equipment	23,000,520	-	-	23,000,520
Office equipment, furniture, and fittings	3,195,982	-	-	3,195,982
ICT Equipment and Other ICT Assets	650,956	609,995	-	1,260,941
Other Machinery and Equipment	-	-	-	-
Intangible assets				
Total	43,847,558	609,995	-	44,457,443

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative FY
Muhoroni Primary School	KCB	1316522253	253,584	1,453,583
Ogwedhi Primary School	KCB	1114067865	1,941	1,941
Marega Primary School	KCB	1109803028	710	710
Achego Primary School	KCB	1109612540	698	698
Muhoroni Township Primary School	KCB	1183913753	679	679
Kibos Prison Primary School	KCB	1310921946	1,298	1,298
Dr. Robert Ouko Primary School	KCB	1332689760	54,089	1,000,000
Obago Primary School	KCB	1336942525	1,504	1,250,000
Chemelil Factory Primary School	NBK	01022261457900	252,275	1,201,275
Osiri Migere Primary School	KCB	1332367658	75	2,400,000
Mashambani Primary School	KCB	1335479031	478,274	2,650,000
Nyangoma Primary School	KCB	1332586449	349	2,400,000
Miwani Sec.3 Primary School	KCB	1110152299	1,460	2,650,720
Lwala Primary School	KCB	1332631509	2,181,408	3,851,000
Tonde Primary School	KCB	1332289169	650,787	3,600,000
Tonde Primary School (Climate change)	KCB	1332334660	2,160	250,000
Nyakoko Primary School	KCB	1331267226	652,986	3,601,100
Yao Primary School	KCB	1331815525	446	3,602,000

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative FY
Mikiria Primary School	KCB	1335034161	2,597	3,600,000
Olik Oliero Primary School	NBK	01022230644200	250,475	250,475
Pro. Ayiecho Obumba Secondary School	KCB	1319581226	665	665
Oginga Odinga Tamu Secondary School	KCB	1319736831	215	215
St. Andrews Masara M.S.S	KCB	1280672382	54,212	1,004,578
Our Lady Queen of Peace S. Sch	KCB	1272870235	1,267	1,001,143
Our Lady Queen of Peace S. Sch (Bus)	KCB	1132552087	1,245	3,630
God Nythindo Chiefs Camp	KCB	1334835276	164	1,200,000
Muhoroni Police Post	KCB	1334822891	1,000,000	1,000,000
St. Boniface Magare Sec. School	KCB	1340744856	425	2,000
Olik Oliero Secondary School	KCB	1341072495	215	1,000
Orenge Primary School	KCB	1340473526	1,875	-
Muhoroni Chiefs Office	ABC		1,000,000	-
Koru Chiefs Office	ABC	004215001007512	1,000,000	-
Miwani Chiefs Office	ABC		1,000,000	-
Nyangoma Chiefs Office	ABD		1,000,000	-
Tamu Chiefs Office	ABC	004215001007510	1,000,000	-
Mutwala Girls Secondary School	KCB	1343159040	250,000	-
Okwach Primary School			250,000	-
Magere Primary School	NBK	01022242172900	250,000	-

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative FY
Oroba Primary School	KCB	1342758099	250,000	-
Nyangore Primary School			250,000	-
Kandege Primary School			250,000	-
Orago Primary School			250,000	-
Obumba Primary School			250,000	-
Waware Primary School			250,000	-
Nyando Primary School	Coop Bank	01141663256700	250,000	-
Total			13,348,075	37,978,708

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Unsupported project Management Committee bank account balance</p> <p>Annex 5 to the financial statement reflects Kshs.9,787.35 in respect of project Management committee bank balances however these balances were not supported with bank balances certificates, expenditure returns and project implementation status reports.</p> <p>In the circumstances the accuracy,</p>	<p>The Muhoroni NGCDF management inability to include certificate of balances for the PMC accounts for projects under review stems from the fact the PMC accounts are not directly under the preview of the management. The management has to write to PMCs that, then write to Banks for certificate of balances. Thus the Muhoroni NGCDF management has hereby attached certified Bank statements and has wrote to all the PMCs</p>	Resolved	

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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)
	completeness and disclosure of the kshs.9,787.35 could not be confirmed	to avail the certificate of balances		
2	<p>Unsupported Bursaries to Tertiary Institution The statement of receipts and payments reflects other grants and transfers amounting to Kshs.89,211,565 which, as disclosed in Note 8 to the financial statements includes Kshs.18,833,900 spent on bursaries to tertiary institutions. However, there was no evidence of formation of the education bursary Committee to carry out vetting of applicants. Further, the amount awarded to the successful applicants could not be confirmed since the</p>	<p>The bursary awards is based on the need of the students and there are three categories of bursary awarding in Muhoroni NGCDF as follows; National school student and the normal bursary for secondary schools, at the tertiary level Muhoroni NGCDF has special bursary for high end courses and normal bursary. In additions there are students who are partially or fully sponsored in Extra County and sub county schools. Attached is the criteria in awarding the bursary to the students</p>	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	application forms were not provided for audit review. In addition, the minutes of the vetting Committee and the details of the successful applicants were not provided for audit review.			
3	<p>Unsupported Expenditure on Compensation of Employee's The statement of receipts and payments reflects an amount of Kshs4,718,600 in respect of compensation of employees which comprise of basic salaries and allowances for staff of the constituency, however, Management has not provided an approved salary structure by the board.</p>	Muhoroni NGCDF management is guided by the NGCDF Act on staffing informs the NGCDF Board guidance on employment of technical officers read together with the civil servants salary structure. Attached is the NGCDF Act and civil servant salary structure	Resolved	

National Government Constituencies Development Fund (NGCDF)

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	In the circumstance the accuracy and completeness of the compensation of employee balance of Kshs.4,718,600 on cannot be confirmed.			
4	<p>Unsupported Use of Goods and Services The statement of receipts and payments reflects kshs.8,762,133 under use of goods and services however, there anomalies were observed</p>	<p>The management has acknowledge the missing of some of the attachment, however the management has ensure the documents has since been found and attached in the vouchers. Attached are the documents. The non-committee members included in the allowance were key staffs who are usually carried along whenever there is a training to help carry on some duties and the driver</p>	Resolved	

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5	<p>Lack of Internal Audit Review Review of the Funds operations indicated that no internal audit reviews were performed on the Funds internal processes and no risk assessment was carried out to identify and address key areas of concern and document specific controls in response to identified risks, contrary to Regulation 160(1) (a) and (b) of the Public Financial Management (National Government) Regulations, 2015</p>	<p>The Muhoroni NGCDF fall under three independent internal audit and risk assessment departments. 1. NGCDF Board internal audit department (Nairobi) 2. National Treasury internal Audit (Based at the sub county National Treasury Offices) 3. NGCDF Risk Department (Nairobi) During the financial Year under review Muhoroni NGCDF management was not in the work plans of the first two. However, the Board Risks Management carries out reviews monthly via attestations copies are hereby attached.</p>	Resolved	

National Government Constituencies Development Fund (NGCDF)
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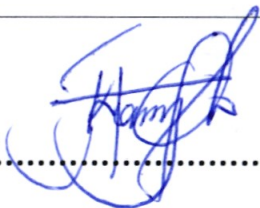
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6	<p>Late Remittance of Statutory Deductions Review of payroll records revealed that Management was late in remittance of statutory deductions which will lead to the fund incurring penalties and interest</p>	<p>Muhoroni NGCDF management confirms delay in submission of the above accessioned by several internal issues arising from delays in salary processing or absence of key staff responsible for the submission of the same. However the Muhoroni NGCDF commits to timely submission of all statutory deductions.</p>	Resolved	
7	<p>Non-Taxation of Committee Allowances The statement of receipts and payments reflect an amount of Kshs.3,897,200 in respect of committee expenses and as disclosed in Note 5 to the financial statements. Which includes committee sitting allowance of</p>	<p>The management has acknowledged the non-taxation of committee allowance however the management have henceforth committee the start taxing the allowances</p>	Resolved	

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	Kshs.1,697,200. However, review of the documents and payment schedules revealed that the allowance is not taxed contrary to the law. In the circumstance, management is in breach of the law			
8	Delay in implementation of projects The statement of receipts and payments and as disclosed in note 7 reflects Kshs. 98,697,060 as transfers to other government units shows various projects implemented by the project implementation committee. However, during physical inspection it was revealed that projects	Muhoroni NGCDF management acknowledges delays in projects. The delay are occasioned by challenges in project procurement. Muhoroni NGCDF commits to improve on the procurement process hence smother the implementation	Resolved	

National Government Constituencies Development Fund (NGCDF)
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	amounting to Kshs.18,191,060 had not been implemented as detailed In the circumstance the delay in implementation of the projects means the beneficiaries does not benefit from the projects and it could lead to escalation of costs.			



FUND ACCOUNT MANAGER
MUHORONI NGCDF
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Name
Fund Account Manager.